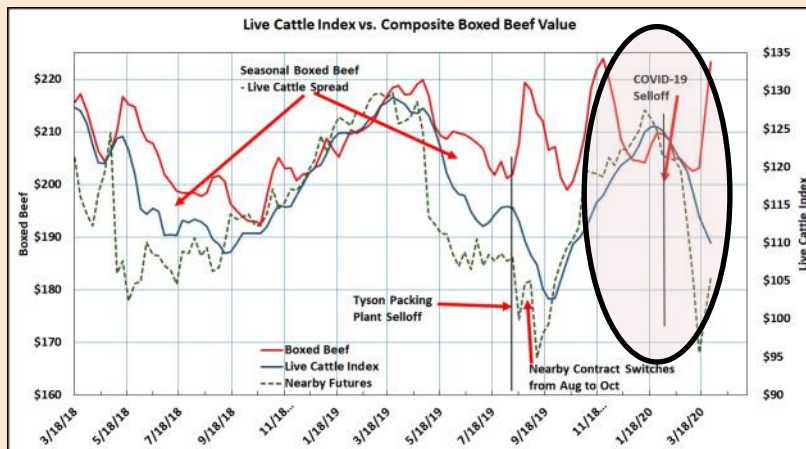


August
2020

CATTLE MARKET CONUNDRUMS

A Perfect Storm

The COVID19 pandemic has touched every corner of every industry in America and around the globe. The impact is obvious to cattle producers across the nation, with plummeting fed cattle prices beginning in March 2020. It is interesting to note, however, that the drop in fed cattle price was not entirely unforeseen, as is noted in a graph from a June 8, 2018 article by



Harlan Hughes in BEEF Magazine (see chart pg 2). The virus's inherent effects coupled with all levels of government management of the virus have served to exacerbate a previously forecasted drop in fed cattle prices this

past spring. Throw in the impact on processing plant throughput as the COVID19 illness ran its course through the packing plants (over 10,000 cases across all animal protein processing facilities), and the result was a drastically reducing processing capacity for several weeks. (Which served as a wake up call to many Americans as to just how fragile the supply chain is. For more on that, see page 6).

What has happened is one of those so-called perfect storms. In this case, the tail end of a cattle cycle was piled on by a nasty virus, which also exploited/revealed a brittle link in the processing segment of the supply chain. The result was much like a major causeway being blown up, where cattle ready for slaughter were trapped on one side of the channel, while on the other side, a temporarily finite amount of product was being processed at reduced

"The nation will find it very hard to look up to the leaders who are keeping their ears to the ground."

—Sir Winston Churchill

Cattle Market Conundrums	1
President's Address	3
World Beef Expo	5
Sizzling Beef Sales Get Started with Direct Marketing	6 7
Comedy Corner	8
Numbers, Projections & Wild Cards	10
Consumer Demand	11
Three Month Climate Outlook	12

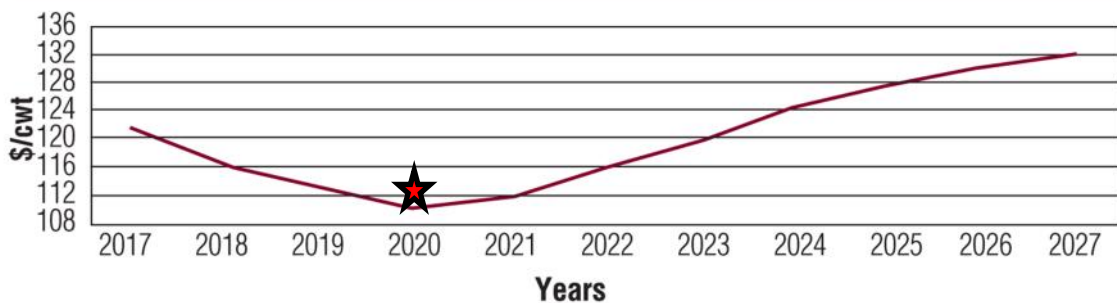
(Conundrum, from pg 1)

capacity and sent to retail outlets, only to be snatched up by anxious shoppers who were buying food at significantly increased rates.

The chart below shows the fed cattle prices as projected in the spring of 2018 by the *Financial and Policy Research Institute (FAPRI)*. It is interesting to note that fed cattle were projected to be at the bottom of their price cycle anyway, so it is not difficult to see how the impact of the virus itself within the packing industry workforce, plus the various federal and state mandates issued at large to combat it, were instrumental in bringing about the extremely low prices the past three months.

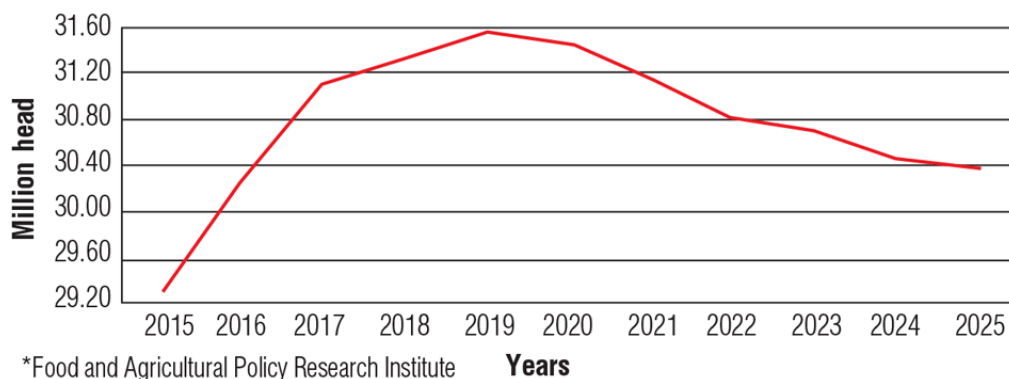
Where prices go from here depends on a multitude of factors, including the effectiveness of the packing industry's remediations for Coronavirus exposure in their plants, the global economy and its recovery, buying trends among consumers, and the influence of a shrinking national cowherd, which began in late 2019.

Figure 1. FAPRI slaughter steer price projections



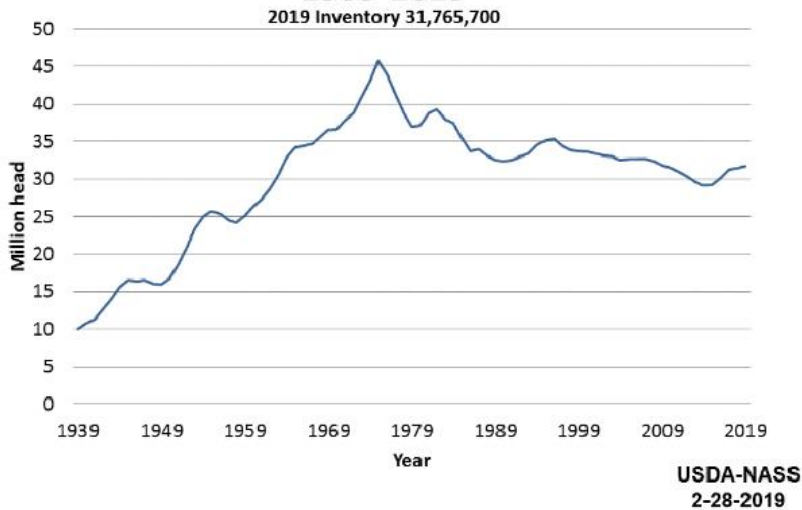
Spring 2018 projections from the Financial and Policy Research Institute (FAPRI) at the University of Missouri suggested that annual slaughter cattle prices might not bottom out until the year 2020, making the current cycle a 13-year event. FAPRI also suggested that annual slaughter cattle prices could average \$115 per cwt in 2018, \$113 in 2019 and **\$110 in 2020**. (Forecast was made nearly two years prior to the COVID19 impact).

Figure 3. FAPRI's* projected U.S. beef cow numbers through 2025



FAPRI's projections were based on the 2013-2014 increase in calf prices, which triggered a 'significant build up' in the nation's beef herd, giving incentive for 2014 heifers to be retained as breeding cows in 2015, dropping their first calves in 2016. Those calves, and subsequent year's calves, began hitting the market in 2017-2018. The nation's cowherd entered peak expansion in 2018-2019, sending feeder prices lower, and creating the impetus to begin once more diverting heifer calves back into the feeder channels rather than adding to the cowherd.

January 1 U.S. Beef Cow Inventory 1939-2019



A historical look at beef cow numbers in the U.S. over an 80 year period. There is a lot of history contained in this chart, including the growth of beef production as an industry, changes in cow size, the importation of various genetics from other countries, development of feedlots, and the dissemination of research results to producers by land grant universities.

President's Address

Greetings to all Galloway Enthusiasts,

Thank You for reading the AGBA Dispatch! Please call or contact the advertisers in this issue if you have any questions about Galloways.

Galloway producers should seriously consider placing an ad in this newsletter. The price is right! Contact Judy Decker for options from full page ad to a classified ad (\$10) to help support the AGBA and promote your farm or ranch. Give it some thought!

The World Beef Expo is still scheduled to take place in Milwaukee, WI on September 24th thru the 27th. This is a nice show to support. It is held on the Wisconsin State Fair Grounds. If you live in the Midwest come and visit or bring cattle to show. It is a great time to be had with the Galloway producers that exhibit and other producers that show up. You can find more info on the World Beef Expo Website: www.worldbeefexpo.com . If you have any questions give me a phone call, 612-390-2249 or e-mail me at eberryranch@gmail.com .

The National Western Stock Show is still on track to be held in January. The Galloway show is January 16th to the 19th held outside in the "Yards". This is also a great event to attend, many things to see and do!

Another Galloway event coming up next year is the World Galloway Congress, to be held in Louisville, KY in November in conjunction with the NAILE. Exact dates TBA later. This was to be held this year, however with the COVID19 happening it was postponed to 2021. Attendees from

(Prez Address, from pg 3)

around the world will be there, this makes it very worth while. The US Belted Galloway Society is hosting this event. There is a nice itinerary scheduled to see cattle, farms, and the Louisville area sites. I'm planning to be there! I am planning to bring some of my Berry Ranch Galloways (Solid color heritage type) to exhibit at one of the tour stops.

I hope to see you at one of the above events! Keep promoting Galloways!

Take Care and Stay Safe!

Eli Berry

AGBA President

GO
Galloway



**BERRY
RANCH**
GALLOWAYS
Mora, Minnesota - 612-390-2249

- ♦ 2020 Calf Crop is arriving now, sired by these bulls.
- ♦ Bulls and Semen For Sale



Glenfiddich Zeppelin

**5 Time Winner of NWSS
Premiere Exhibitor and
Breeder Awards**



Ben Lomond Mhordhu



YY Contrail 529C

Give us a call, or send email to eberryranch@gmail.com

RENAISSANCE FARMS LTD

Bill and Judy Decker Emporia, KS www.renfarms.com 620.343.6757 galloway@renfarms.com

Kaiser of Gnomes End

**Calves Available
Fall 2020**

RFLTD Xenon
Sire of Our Top
Grassfed
Carcasses

Semen Available

World Beef Expo

Submitted by Joyce Jones

COME ONE, COME ALL! The AGBA invites you to take part in the 28th year of World Beef Expo from September 24-27 at the Wisconsin State Fair Park in West Allis, WI. The World Beef Expo (WBE) which began in 1992, will be held near Milwaukee, WI. WBE is celebrating its 28th year. For many years the World Beef Expo was held in Madison, WI during late winter before moving to Milwaukee. A conversation with an exhibitor regaled the struggles of showing in the frigid temperatures. After the Milwaukee move, WBE was held during September when the weather was much more agreeable, although sometimes quite hot.

After being part of the World Beef Expo for many years, the last time the AGBA had a show at WBE was in 2004. It was during the 2004 show that the World Galloway Congress met in the US. The World Congress was jointly hosted by the American Belted Galloway Society and the American Galloway Breeders Association. Belted Gallo-

Beef Sales Direct to Consumer are Sizzling!



You may have heard about the sharp uptick in direct-to-consumer sales of beef since the March processing slowdown/shutdown caused by COVID19 infecting thousands of packing plant workers. The effect in retail outlets (severe shortages, price increases) was somewhat of a wake up call to consumers as they began to grasp how fragile the supply chain for animal protein is.



The fallout of that event has been swift, with small scale processing plants across the country quickly finding themselves booked up into next summer! Another casualty of the whole coronavirus dynamic has been a shortage of freezers available for purchase in retail stores, due to a run on freezers as nervous consumers tried to do large one-time purchases of foodstuffs in order to stock up and limit their exposure to the virus. So as it turns out, quite a few people are perfectly happy to plan ahead for potential shortages, which is a great thing if you are a beef producer, or happen to own a butcher shop (or an appliance store!).

So now producers who never imagined they would start selling direct to consumers were suddenly ‘in the biz’, navigating pricing, communications with customers, and more importantly, getting processing dates secured. The best way to make money in cattle is to be a low input producer, while at the same time selling the fruits of your labor at a premium price. The only way to control the latter is by direct marketing, either breeding stock, butcher beef, or both.



Direct-to-consumer prices for butcher beefs by the hanging side are high right now, with prices ranging from \$3 to \$4.50 per pound hanging weight being reported. Sometimes this includes processing fees, others leave the processing fees to be paid by the customer when they retrieve their beef, making the effective range of these prices even greater. These prices are not for ‘specialty’ beef, such as grassfed or organic. These are the prices on standard fed beef sold direct to consumer. The demand has created quite a squeeze on local processing capacity out in the counties. Many small local processors are now booked up well into next year. But it could be worth planning ahead for next year. It is difficult to say where things will be in the supply and demand equation, but many new consumers may discover that they enjoy having a year’s worth of beef on hand, readily available for use. There is also the idea that is really beginning to settle in the minds of consumers, and that is to shop local. And if they’re going to shop local, they may as well shop from you and your farm. Afterall, you’re raising the beef world’s finest beef, so don’t keep it all to yourself!

Getting Started With Direct Marketing

Getting the ball rolling with a Direct Marketing business is not all that difficult, but it is best to think through some logistics and become familiar with any state or federal laws that may govern your enterprise. You'll want to define your product, broadly that means grain-finished or grass-finished. It could also mean organic, or not, depending on your operation.

Become familiar with consumer preferences. If you'll be selling by the packaged pound, get an idea as to what size of roasts consumers in your area prefer, and how much money are they willing to fork over for one roast? Steak type and thickness are important too. Does your region favor a bone-in, or boneless ribeye? Are T-bones, or KC Strips and Filets more popular? These preferences will influence salability of your product.

Get used to answering questions about your operation. One of the drivers behind consumers buying direct from the producer, known in the business as 'farm-to-fork', is because consumers are hungry for a connection to where their food comes from, and only you can provide that experience.

Pricing. This may be one of the toughest, because you absolutely must know your cost of production per pound

(See Marketing, pg 9)



**The Coffee
Pot is
Always On!**

BRASS RING GALLOWAYS

406-749-081 Russ and Susan Waples 406-635-2114
Box 544 Terry, MT 59349 brgalwap@midrivers.com

Ease into Galloways with ready-made cross bred calves! We have 7 steers and 9 heifers sired by Red Angus bulls and out of Galloway cows. They will be weaned in late October. Reds and blacks.

Comedy Corner

A New York City hipster moved to the country and bought a piece of land. He went to the local feed and livestock store and talked to the proprietor about how he was going to take up chicken farming. He then asked to buy 100 chicks.

"That's a lot of chicks," commented the proprietor.

"I mean business," the city slicker replied.

A week later the hipster was back again. "I need another 100 chicks," he said.

"Boy, you are serious about this chicken farming," the man told him.

"Yeah," the hipster replied. "If I can iron out a few problems."

"Problems?" asked the proprietor.

"Yeah," replied the hipster, "I think I planted that last batch too close together."



Thank our advertisers...visit their websites or give them a call!

GRANT GALLOWAYS

JIM GRANT ~ HAZLETON, IDAHO
Galloway Since 1966

PROVEN ON GRASS, PROVEN IN THE FEEDLOT
208.825.5215 208.420.3977 (CELL) jimgrantgalloway@gmail.com

CK Galloways

Weaned FULLBLOOD GALLOWAY and GALLOWAY INFLUENCED Steers and Heifers available in October. Developed on milk and grass, weaned on forage.

Ready for any feeding program.

Contact ckgalloways@itstriangle.com

Ph#406-799-0279

Member of the AGBA



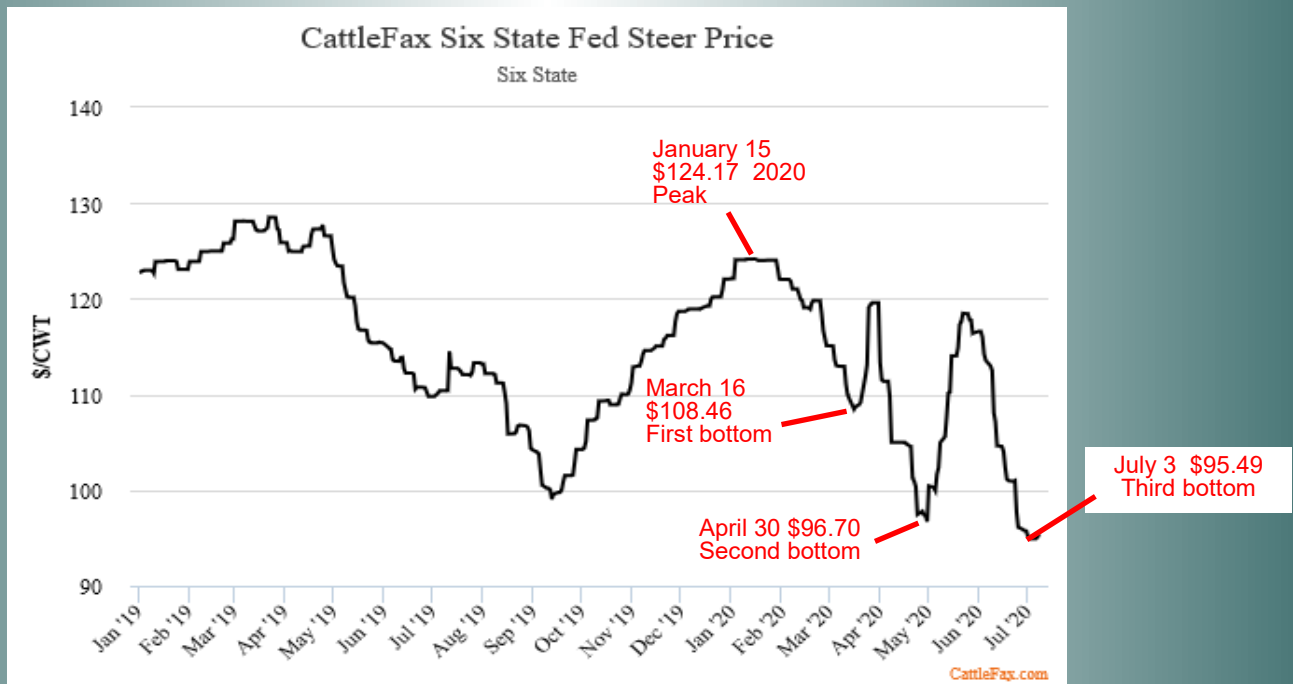
Direct Marketing, from pg 7

of calf. On top of that, you'll be factoring in processing fees, storage costs, and any travel you may do. Thankfully advertising is basically free today with the widespread use of social media, though making a modest investment in a website is advisable. Your website allows you to tell your story, list your products and pricing, and educate consumers on the benefits of buying from you.

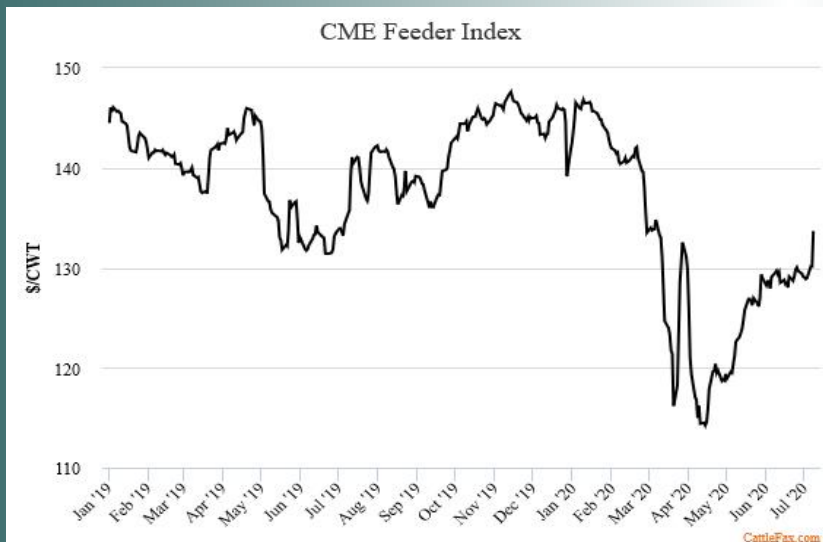
It's a good idea to get started by making sales by the packaged pound, which will require state or USDA inspection. Selling this way gives customers a chance to invest a small amount of money in your product to try it out, and then later become customers of sides of beef, which is an efficient way of marketing your product without incurring additional time and handling.

Be flexible, be prepared to learn, and keep track of hidden costs. It will be a good thing for you, and your customers.





Fed cattle prices dropped precipitously in July when some cities began reining in reopening plans, impacting the food service industry demand for beef.



As of July 10, feeder prices continue to recover.

Numbers, Projections, and Wild Cards

While university personnel and market analysts have unimaginable resources and data with which to project where cattle prices are headed, we now all know first hand that the wild card rules the game. In the past, powerful wildcard influences on the production side have largely been environmental, specifically long term drought in cattle producing regions. In 2020 Coronavirus has introduced a simultaneous *worldwide* factor of influence whose final impact may not be known for a few years. As the

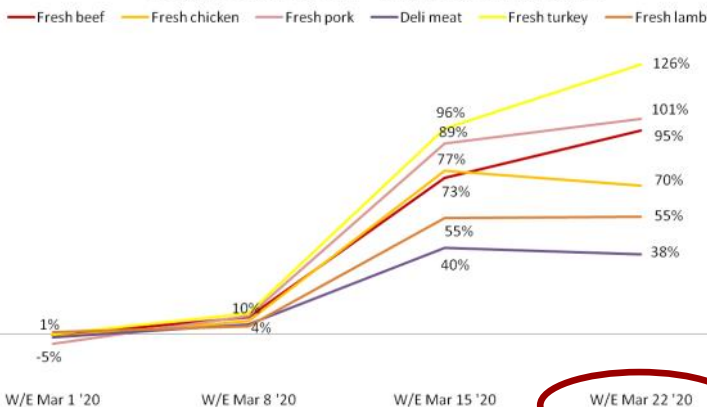
old adage goes, only two things are certain in life: death and taxes. But some factors, such as the nation's cow herd size, and the existence of overseas trade deals, are structural components of the models and do provide a starting point. And as always, the single most factor in profitability is being a low cost producer. (Which is why you're raising Galloway cattle.) The main thing favoring profitability is to not be dependent upon the cattle market being in its highest 3-5 years, but instead structure one's operation around the down years, and the drier, unfavorable ones.

Consumer Demand

The increase in consumer spending on meats during March was nothing short of breathtaking. The charts below compare sales figures to the same period in 2019. At one point in March, beef sales were up by 91% compared to last year. In part, as consumers find themselves preparing more meals at home, they are purchasing their meats through the supermarkets, i.e. fresh retail sales, and contributing to the increase. On the other hand, beef being marketed through the hotel/restaurant/food service channels dropped as commercial dining establishments were shut down in response to Coronavirus.

While some projections indicate beef supplies are replenishing faster than expected, processing capacity is somewhat reduced due to plant modifications, which includes more spacing between workers, decreasing the numbers of workers per line.

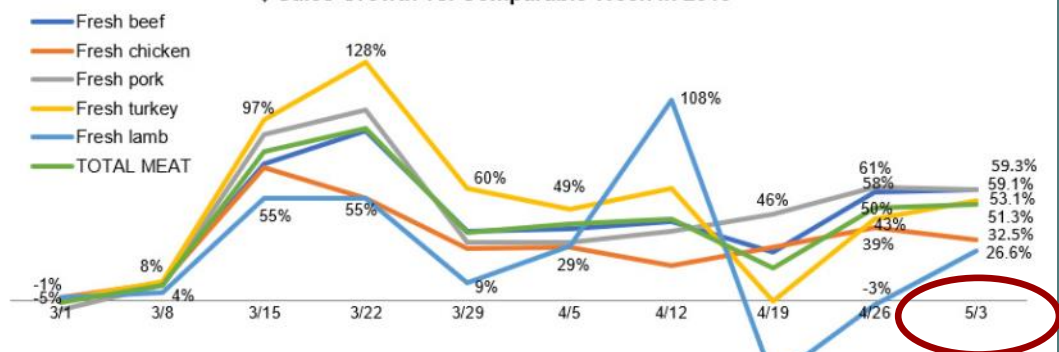
Week by week sales growth — March 1, 8, 15 and 22, 2020

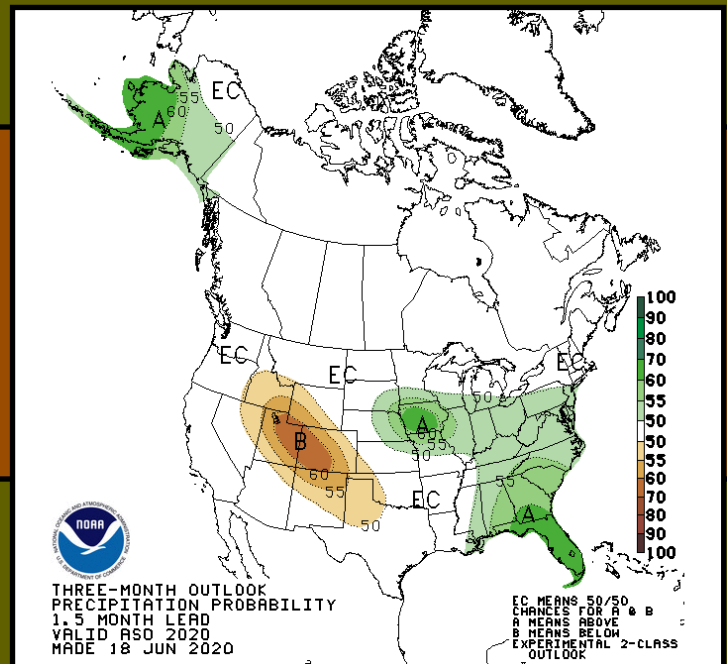
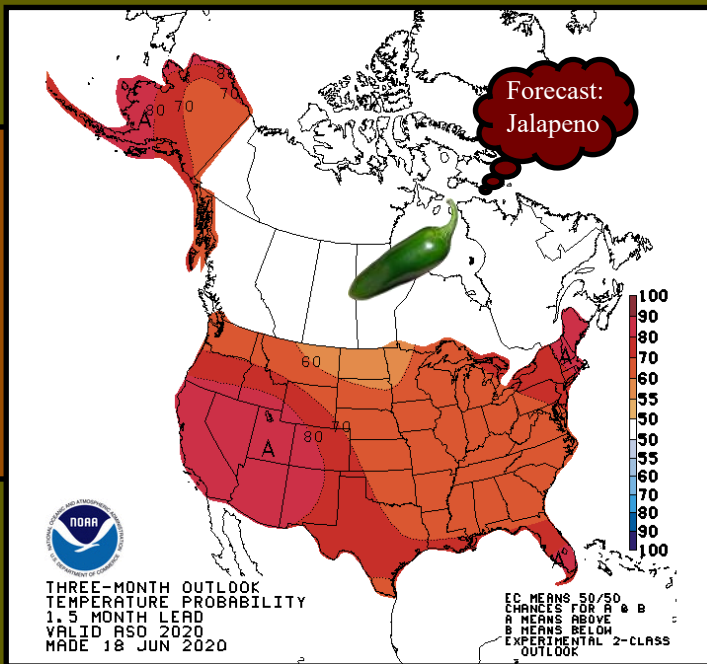


The pursuit of robotic meat processing equipment is gaining more traction as the largest processors look to the future in a Coronavirus world. There are reports that JBS SA, the Brazilian owned mega-packer, was already increasing the automation in some of their plants pre-Covid19, with a longer range view of increasing automation/robotics in its plants all around the globe. With the impacts and revelations of COVID19, they are likely to increase robotic processing capacity even more. The same is true for the other big processors, as a tightening labor pool - due to a robust economy and stricter immigration laws, has put the squeeze on their efforts to keep plants fully staffed. Look for automation upgrades to continue into the future.

While the biggest jump in beef sales was in March 2020, the figures into early May also show a dramatic increase year over year. Again, this is retail sales of fresh beef (dark blue line), and reflects the shutdown of the restaurant industry as well consumers stocking up.

\$ Sales Growth vs. Comparable Week in 2019





Climate Prediction Center 90 Day outlook for
August/September/October 2020

CREATIVE WOODWORKING

Quality Made Pieces

DISPLAY CASES

PICTURE FRAMES

SHADOW BOXES

UNIQUE FURNITURE

ARTWORK

www.RootPrairieGalloways.com/CRAFT.html

Hodgson Custom Woodworking

Brad & Leslea Hodgson Fountain, MN e-mail to: hodgsonranch@aol.com ph. 507-867-4004

(WBE, con't from pg. 5)

way breeder, Jane Faul, and Galloway breeder, Lisa Wyman worked diligently to orchestrate the meetings, events, and bus tour to provide the guests to the World Congress a grand time. The bus tour took World Congress guests to visit at least a half dozen farms throughout the mid-west showcasing Belted Galloway and Galloway animals and farms.

Following that event, the American Galloway Breeders had a fifteen year hiatus from the venue. Then, in 2017, Belted Galloway and Galloway breeder, Jerry Stephens of Uphill Farms in Clinton Corners, NY brought the Galloway show back to life. During the 2019 WBE, there were almost 1400 open and junior show entries with exhibitors and cattle from eighteen states showing 30 different breeds of cattle. This year the Open shows will be held on Thursday, September 24. The Supreme Drive will be on Friday evening, September 25, and a sale will be held on Saturday, September 26. The sale is at 1:00 PM and is coordinated by GB Marketing. For Information on the sale call 405-780-0372.

The Junior shows, showmanship, and collegiate judging will be Saturday, September 26. A heifer show and prospect steer show will be Sunday, September 27.

Due to the Ryder Cup Golf tournament which was to be held the same weekend as WBE and also a baseball game, I was unable to block a group of rooms for AGBA members at any hotel. Since then the golf tournament has been cancelled. I did find a hotel called Forty Winks Inn at 11017 W. Bluemound Road, Wauwatosa, WI 53226. Their

phone number is 1-800-946-5746. They have rooms for about \$90/night. Depending on Covid-19 restrictions, they may or may not have a continental breakfast. This hotel is 2 stories with no elevator.

The WBE website lists Hampton Inn & Suites at 8201 W. Greenfield Road, West Allis, WI 53214. The telephone number is 414-436-2300 or www.hamptoninnmilwaukee.com. Also listed is Country Inn & Suites, 1250 South Moorland Road, Brookfield, WI 53005. Phone 262-787-6145. They have special rates listed by using Code EXPO20 before September 14, 2020. WBE also has a dormitory type building on the grounds where you can stay. Details are on the website also. Reservations for the dorm must be made online via the WBE website. There is also an RV Park for camping with the information listed on the WBE website or call 414-266-7035. The rate for full hook-up is \$40/night. These venues can be found on the WBE website. You can click to contact

HANG 5 GALLOWAYS

www.hang5galloways.com



Blacks Tremendous selling season! Like to thank all the new Galloway breeders that got their start with us this year. Top quality heifers and bulls will be available again next season.

Duns

Reds

Whites

Sarah Bowman
778 Pass Creek Rd
Parkman WY 82838
307-752-7457 307 655-9848
hang5ranch@msn.com

(See back page)

Remember your 2020 Dues



Right, a 3/4 Galloway heifer at Blegen Galloways

What can the
Galloway influence
do for your calf crop?



A Pair of 1/2 Galloway, 1/2 Angus Cows at
Blegen Galloways

DIRECTORS

Harley Blegen - MT -VP	406-323-4815
Eli Berry - MN - President	612-390-2249
Judy Decker -KS	620-343-6757
John Goetzinger - WI	608-464-3110
Christa Grywusiewicz - WY	307-751-5665
Terry Marcotte - KS	785-614-2271
Joan Hoffman - MI	517-627-2310
Joe Schumacher -MT	406-799-0276
Joyce Jones - PA	724-924-2938
Richard Serr - WA - Sec	509-258-6776
Susan Waples - MT	406-635-2114
Tom Wilder - WA	360-581-3700

Mailing Address

Memberships dues are now handled by CLRC. Therefore....

**Mail Registrations, Transfers
and Membership
Dues to:**

CLRC
2417 Holly Lane
Ottawa, Ontario K1V 0M7
CANADA



1st Class postage
to Canada is
\$1.15





**Is your tattoo
letter for 2020**

Did You Know...
You can easily share
this newsletter with
your inquiry list by
simply going to
americangalloway.com,
click on the
Library tab,
and then copy the url
link for The Galloway
Dispatch into an email.

Questions about, or Suggestions for the AGBA?

Great! Please contact the Director for your region, and discuss your ideas with them. You are a vital part of this organization, and each one of you brings a unique viewpoint to the AGBA. So please, don't be shy, and don't procrastinate. Same thing goes for any questions you may be mulling over about the Association, and its mission and duties. There's no such thing as a 'dumb' question!

Attention Annual Members:

If you are an Annual Member in good standing, your farm should be listed on the AGBA website under the Galloway Breeders tab. Go there and look! If your name and farm information are not listed, kindly send all pertinent information to **Richard Serr at raserr@aol.com**. Just the basics, look over a few of the other entries for the general idea of it. Also, if your address or email address change, contact Richard for website changes, and cc myself for changes to the Dispatch mailing list... renfarms@osprey.net

Are you receiving AGBA EMAILS???

We want all active AGBA members to be on our AGBA EMAIL List! If you are a current, paid up member and never receive any emails from the gallowsbreeders@yahoo.com address, please email Michelle Blegen at blegengalloways@midrivers.com to have your email added to the list.

If you are a **member** and do not receive the Galloway Dispatch and view it online only, kindly send your information to Judy : renfarms@osprey.net and include your mailing address.

DISPATCH ADVERTISING RATES

CLASSIFIED.....	\$10
(30 WORDS OR LESS, NO IMAGES)	
BIZ CARD.....	\$25
QUARTER PAGE.....	\$50
HALF PAGE.....	\$90
FULL PAGE.....	\$150

*PREPAY 4 INSERTIONS AND
SAVE 10%*

Judy K Decker, editor
1800 E. 18th
Emporia, KS 66801

WBE, from pg. 13

the various venues through the WBE site.

Early entry, due by August 15, 2020, is \$60/head. Entry by September 1, 2020 is \$80/head. Late entries after September 1, 2020 are \$100 per head. Arrival begins Wednesday, September 23, 2020 at 10:00 AM.. Animals must be in place by 10:00 AM on Thursday, September 24, 2020. For further information about the show go to the WBE website. At the time of this printing, our Galloway show time has not been decided.

The requirements for animal health can be found on the WBE home page by clicking on the Expo Info tab, then click on "Import Requirements for WBE". Other questions you may have can be answered by clicking on the Frequently Asked Questions tab on the WBE home page. If your question is not answered there, please call me, Joyce Jones, show co-superintendent, at 724-924-2938 and leave a message. I will get an answer for you.

We invite you to take part in the show either as an exhibitor or a spectator. Come join us for an excellent time.

