

Welcome



Sarah Nelson

Normal is not a word we can use to describe the current cattle cycle. Its normal 7 to ten-year loop appears to be a thing of the past. In fact, we've had one of the smallest calf crops on record since the middle 1950s.

Cow liquidation has been occurring the past few months in the upper Midwest, the Dakotas and Montana. And has stretched to some southern states suffering

from drought conditions. In fact, some producers are considering plowing up pastures to plant corn.

Industry-wide, we're pacing about 3 percent more slaughter heifers this year. So, when you consider marketing plans for the foreseeable future, keep in mind we're in the middle of a big

adjustment.

In the current economy, consumers are becoming increasingly careful about what they pay for protein. As plentiful chicken and pork supplies continue to enter retail supermarkets, it's tough to compete, especially since chicken and pork are less expensive for consumers than beef.

Although many producers may be reluctant to place cattle, feeders are less expensive, and long-term we anticipate cattle prices could move higher.

October, December and February '09 futures are trading over \$100/cwt., and there is still money to be made. Depending where your corn prices are, there are still feeder cattle that can make a profit.

Look at your situation on a load-by-load basis, and let us know if you need help calculating your production costs. Call Nexus to see how you can take advantage of opportunities today.

Producer Profile

Mol's Holstein steers pay off with Nexus Marketing

Tim Mol runs his Holstein steer operation from his Century Farm — the farm he grew up on, and the farm his dad grew up on. But his profit strategies are far from a century old; he capitalizes on today's best risk management techniques with Nexus Marketing.

Mol, whose operation is located near Annandale, Minn., likes a lot of things about marketing his Holstein steers through Nexus. He likes the choices of which plant to market to, the staff's knowledge, and the competitive fees in relation to the service he receives.

This third generation farmer has room for about 1,000 head of Holstein steers, which he started raising from bottle feeders in the 1980s. In the mid- to late-80s, he switched to raising them from 200 lbs. to finish.

"I began contracting cattle through another

company when Sarah Nelson started there. When she moved to Nexus, I moved," Mol said. "I enjoy her knowledge of the business. She helped me with hedging. I didn't understand it, as far as the



Tim Mol relies on Nexus Marketing for risk management on his Holstein steers.

differences between forward contracting and hedging."

Mol noted that Nexus prices are competitive. And the fees with Nexus are "pretty minimal."

"I worked a sale barn for five years, so I know the fees are minimal for the service I get," he said. "...There are a lot of sale

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Nexus (Noun): *A means of connection; a link between things persons or events; a connected group.*

Nexus

Get the lowdown on beef hormones

You can bet using hormones in beef production benefits cattlemen—and is safe for consumers.

Using hormones to promote lean gain cuts producer costs. And at Nexus, we're all about the bottom line.

Take a look at the numbers. During the feedlot stage, when animals consume high-energy grains, by using hormone implants daily weight gains can increase 8 to 25 percent. And feed efficiency balloons by 15 percent.

All of that comes down to fewer days to market weight, 17 days fewer, to be exact, according to the Canadian Animal Health Institute.

Iowa State University research shows using growth promoting implants increases average daily gain 12.85 percent in stocker cattle.

And hormones happen. Estradiol, progesterone, and testosterone are naturally-occurring steroid hormones produced in significant quantities. People actually need them for proper physiological functioning and maturation.

Both plant and animal foods naturally contain some hormones, and have no effect on human health. Beef contains significantly lower amounts of estrogen than other foods including these:

Cabbage	Soybean Oil	Peas
Potatoes	Wheat Germ	Milk

Although harvesting cattle before the expiration of the implant can adversely effect the grade, no pre-slaughter withdrawal time is necessary to protect the public with these hormones. This is because when they are given to cattle, they are slowly released in very small amounts. Also, they have a short average half-life (about 10 minutes).

"Our own bodies produce these same hormones every day in amounts a hundred times or more higher than found in beef," The Cattle Site reports.

The amount of hormone added is inconsequential compared to the amount normally found in edible tissues of untreated animals. Numerous scientific studies have shown this.

More than 30 countries have approved hormones for use in beef production. They include the following nations:

United States	South Africa
Canada	Mexico
Australia	Chile
New Zealand	Japan

Sources: National Cattlemen's Beef Association, U.S. Food & Drug Administration, Canadian Animal Health Institute, Iowa State University, thecattlesite.com

Livestock Laughter

Bart and the Genie

Bart was walking out to the barn to do chores when he tripped over something that was nearly completely buried. It was an old oil lamp. He dug it out of the ground, rubbed off some of the dirt, and a genie appeared and informed Bart that he would grant him three wishes, but one month apart.

Bart told the genie, "I'd like the fat cattle market to trade at \$110 next week."
"As you wish," said the genie.

A month to the day later, Bart rubbed on the lamp again. The genie appeared and said, "What is your second wish?"

Bart replied, "I wish for a \$110 fat cattle market next week."

"Wait a minute. . . Wasn't that your first wish?" asked the genie.

"Yeah, it was," Bart said sheepishly, "But I thought the market was going higher. This time I'll take a \$110."

Thanks to beef byproducts, you're selling someone more than dinner

Pharmaceuticals

Insulin - treats diabetes
Heparin - treats allergies, rheumatoid arthritis, rheumatic fever, and respiratory diseases
Thrombin - helps with blood coagulation during surgery
Glucagon - treats hypoglycemia
Fibrinolytic - treats blood clots within the cardiovascular system
Epinephrine - offers some relief from asthma and allergies
Beef bone marrow - treats blood disorders
Soft cartilage - used in plastic surgery
Rennet - aids with milk digestion
Thyrotropin - stimulates thyroid gland
Trypsin and chymotrypsin - Promote wound healing

Transportation

Asphalt
Hydraulic brake fluid
Airplane lubricants and runway foam
Machine oils and viscous fluids
Car polishes and waxes
Textiles for car upholstery

Industrial Applications

Cement blocks
Explosives
Printing ink
Industrial cleaners
Plastics molds
Fertilizers
Lubricants

Household Products

Bone china
Luggage
Candles
Crayons
Pet Foods
Toothbrushes
Shampoo
Chewing Gum

An 1150 lb. market steer yields about 500 lbs. of beef. Nearly all the remaining weight is recovered as by-products.

-Oklahoma Cooperative Extension Service



CATTLEFACTS

Cattle production is the largest single agricultural sector in the United States, with cash receipts of \$49.2 billion in 2005. The industry includes more than 980,000 farms with cattle in all 50 states.

Source: Iowa State University

Cattlemen's Beef Board goals for the industry include:

Increase beef demand by 10 percent by 2010

Increase exports from 1 billion lbs. in 2005, to 3 billion lbs. in 2010

Improve trade balance by becoming a net exporter in terms of value by 2010

Nexus Marketing ag professionals are dedicated to livestock producers. We connect you and your products with markets that yield consistent results.
Production Cost Calculation • Forward Contracting • Hedging • Options

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NEXUS MARKETING 
Delivering comprehensive ag solutions

Century farm profits from Nexus knowledge, service

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barns out there where the fees are higher, and you're paid for what your cattle look like, not by carcass quality."

Other farm business benefits have come to light since Mol came to Nexus. "My bank has become a lot more open. Whenever I need money for calves, I get it," Mol said. "They ask, 'What are the profit margins?' At this point, Mol has already talked with Nelson, so he can pass that information on.

"My banker says, 'Just stop in sometime.' ... They know they'll get their money because it's covered in the contract. It has worked really well."

When it comes time to place cattle, Nelson selects plants for cattle depending on where they will price out better. The Nexus professionals know which plants pay more or less depending on the cattle's characteristics. "That's a huge plus," Mol said.

When Nelson lines up load dates for Mol, she offers him two

or three different days. "I pick a day and tell her. Otherwise, it was always a Sunday morning load. That has dramatically changed. The flexibility of picking a day [is a great benefit]. I

can't blame the trucker, but I don't have to stay home on Sunday mornings now. I like to go to church. That has been a big plus." Nexus can also arrange for trucks.

"With Nexus, I've enjoyed the broad amount of knowledge," he said. "Sarah tells me the current marketing, tells me what trends are looking like, she runs my cash flows, and has my inputs in the computer."

Overall, he appreciates all the information he receives from Nexus. "I call up and say, 'I have 300 lb. calves I can purchase, what's that looking like?' They can tell me in moments how that is profit-wise."

And having that information results in ag marketing success with Nexus.

"My bank has become a lot more open. Whenever I need money for calves, I get it."

-Tim Mol

Minnesota Nexus Customer

Nexus Marketing
Delivering comprehensive ag solutions

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