

S.M.A.R.T. Goals

The mission statement focuses the operation's energies on what it is to become with the goals being the individual steps along the path to achieving the vision for the operation. As with crafting the mission statement, input is once again needed from all stakeholders as goals are set for the operation. These operational goals will not solely be monetary, tangible, or achieved over a long time span. Short run goals aid in making sure the operation is going in the right direction to achieve its long run goals which in turn keep the operation's focus on achieving its mission statement.

John Hewlett of the University of Wyoming advises that goals should be SMART: Specific, Measurable, Attainable, Related, and Tractable. Avoid goals that are vague and lack a certainty with regards to what will take place. Goals that are measurable may include providing a certain amount of money for family living expenses and ties into being attainable given the current set of operational size constraints. Goals should be related to other goals and the overall mission statement for the operation. Finally, make sure goals are manageable in the sense that consideration is given to available time constraints as well as the manager has sufficient resources to achieve these goals.

Goals will not be met overnight or without some conflict from stakeholders. Prioritizing the goals of the operation is important as some objectives may need to be achieved before others can be started. As with the mission statement, make sure that finalized, agreed upon goals are visible. Don't fall into the trap of "out of sight, out of mind." From time to time, operational goals will need to be re-visited and possibly revised given market conditions or new information on the feasibility of the goals. Take the time to revise the goals if necessary as the world is a dynamic place and change will be necessary to achieve the operational vision.

For more information on business planning:

Managing for Today's Cattle Market and Beyond. Available at:

<http://www.lmic.info/memberspublic/pubframes.html>

DiGiacomo, G., R. King, and D. Nordquist. 2003. Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Business. Institute for Sustainable Agriculture and The Sustainable Agriculture Network. Available at:

<http://sare.org/publications/business/business.pdf>.

Last Friday, the May *Cattle on Feed* report was released:

	1,000 head	% of 2008	Pre-Report Estimates	
			Avg.	Range
Placed in April	1,600	104.2	106.3	103.2 – 111.0
Marketed in April	1,871	93.1	94.2	93.0 – 95.2
On Feed May 1	10,822	97.2	97.0	96.5 – 98.0

Feeder cattle futures contracts were up in the first half of this week only to fall off late in the week following last week's *Cattle on Feed* report. Concerns over rising corn prices due to delayed plantings, weakness in the fed cattle market, and concerns in the general economy related to GM's financial situation contributed to the second half of the week slump. Oklahoma City prices were unreported due to light volume and the Memorial Day holiday. Calf markets in Missouri, Georgia, and Kentucky reported feeder prices had increased from steady to \$6 higher depending on the weight and sex of the cattle.

Scratching below the surface of the comparison to last year's numbers, April placements may be up relative to last year, but are down 4 percent from the 2003-07 average. Reversing the trend of the past couple of years, placement of cattle weighing between 600-699 lbs was up 13% over this time last year (a 14% increase over the five year average) which suggests heavier than anticipated marketings in the fourth quarter. The reason(s) for the increase in lighter weight cattle placement is currently unclear, but adding that weight through forage is likely to continue to be a cheaper strategy than through corn. Cattle feeders are currently in the red due to lower fed cattle and higher corn prices. The "Focus on Feedlots" survey published by Kansas State has the average cost of gain at \$86.64/cwt for steers during the first quarter of 2009 (\$10/cwt higher than the same period in 2008). Projected cost of gain for steers placed in April is \$72/cwt assuming a feed period of approximately 160 days (the lowest since November 2007).

As the second half of the year draws closer, some estimates on the contraction going on in the livestock industry is starting to take shape. Steer and heifer slaughter for the first half of 2009 is expected to be about 5 percent below last year, but rebound by approximately 1 percent in the second half over 2008. The unknown with cow slaughter is how large dairy cow slaughter will be in the second half of the year (beyond the CWT program). As a result, beef production may increase 1 to 3% in the second half compared to about a 2.5 to 3% decline in the first half of this year. U.S. broiler production is expected to be down 6 to 7% in the first half of 2009 with the second half of the year seeing a 3 to 4% cut relative to 2008. Broiler production is expected to decline 5% total for the year compared to a 1% decrease to 1% increase in beef production (heavier slaughter weights and increased dairy slaughter).

Cash fed cattle trade finished the week at \$84 to \$84.50 on moderate demand (dressed carcasses at \$133). There were some transactions on Wednesday and Thursday in Nebraska that saw live cattle at \$85 and dressed at \$135 with a few being sold for \$136/cwt. This represents decline of fifty cents to a dollar for live cattle and a dollar and a half lower for dressed carcasses.

Compared to last week, Louisiana slaughter cows and bulls sold steady to \$3 lower. Feeder steers sold mostly mixed, bulk steady. Feeder heifers sold mixed, mostly steady to \$2 higher.

Table 1. Louisiana Auction Prices for the Week Ending May 29, 2009.

Weight	Steers	Heifers	Slaughter Classes	
200-250	\$125-171	\$115-125	Boners	\$44-55
250-300	\$111-130	\$94-120	Lean (850 -1200)	\$37-49
300-350	\$105-128	\$92-110		
350-400	\$104-120	\$90-105		
400-450	\$100-113	\$89-107 ¹	Bulls, YG 1-2, <1,500 lbs	\$55-59
450-500	\$94-112	\$89-107 ¹	Bulls, YG 1-2, >1,500 lbs	\$55-64.50
500-550	\$90-106 ¹	\$87-100		
550-600	\$90-106 ¹	\$87-100		
600-650	\$88-104 ¹	\$85-98		
650-700	\$88-104 ¹	\$82-90		

Note: All prices are in \$/cwt, steers and heifers are Medium and Large 1-2
 Price ranges may reflect higher prices received in northern areas of the state in the middle of the week
¹Represents the price was reported in hundred pound increments as opposed to fifty pound increment.
 Source: USDA AMS

Table 2. Louisiana Auction Prices for the Week Ending May 22, 2009.

Weight	Steers	Heifers	Slaughter Classes	
200-250	\$122-150	N/A	Breaking	\$45-53.50
250-300	\$110-123	\$95-119	Boners	\$44-57
300-350	\$105-127	\$90-117	Lean (850-1200)	\$36-52
350-400	\$103-125	\$88-110	Lean (750-850)	\$36-48
400-450	\$100-114	\$85-105		
450-500	\$95-112	\$85-103	Bulls, YG 1-2, <1,500 lbs	\$52-63
500-550	\$90-106	\$83-102	Bulls, YG 1-2, >1,500 lbs	\$58-69
550-600	\$90-108	\$82-96		
600-650	\$88-103	\$80-93		
650-700	\$91-101	\$80-90		

Note: All prices are in \$/cwt, steers and heifers are Medium and Large 1-2
 Price ranges may reflect higher prices received in northern areas of the state in the middle of the week
 Source: USDA AMS

Table 3. Futures Prices

Month	Live Cattle	Change*	Feeder Cattle	Change*	Corn	Change*
Jun	\$ 81.325	-1.200				
Jul					436 1/4	6
Aug	\$ 81.825	-1.950	\$ 101.750	-0.175		
Sept			\$ 101.700	-0.450	446 1/4	6
Oct	\$ 87.700	-1.850	\$ 101.800	-0.750		
Nov			\$ 102.150	-0.800		
Dec	\$ 90.025	-1.125			459 1/4	7 1/4
Jan			\$ 100.675	-1.025		
Feb	\$ 91.850	-1.05				
Mar			\$ 100.000	-0.300	469 1/4	7 1/2
Apr	\$ 94.050	-0.350	\$ 99.700	0.000		
May			\$ 100.000	0.500	476 1/2	7 3/4

Source: DTN

* Change is from the previous Friday's close

Table 4. State and National Market Information

Commodity	This Week	Last Week	Last Year
5 – Area Fed Steer Price			
Live	\$ 84.51	\$ 85.09	\$ 93.48
Dressed	\$ 135.22	\$ 136.21	\$ 149.87
Oklahoma City Feeder Cattle Prices			
5-5.5 cwt Med and Large #1	N/A	\$ 124.62	N/A
7.5-8 cwt Med and Large #1	N/A	\$ 99.52	N/A
Boxed Beef Cutout Values (weekly average)			
600-900 lb Choice cutout	\$ 145.60	\$ 147.03	\$ 155.98
600-900 lb Select cutout	\$ 139.41	\$ 141.91	\$ 152.41
Georgia Dock Broilers	\$ 87.72	\$ 87.49	\$ 83.33
Georgia B/S Breasts	\$ 159.50	\$ 161.00	\$ 150.00
Georgia Leg Quarters	\$ 50.00	\$ 49.50	\$ 48.00
Meat production (million lbs)			
Beef	472.5	519.3	474.6
Pork	367.5	419.2	366.5
Slaughter (1,000 head)			
Cattle	617	678	623
Hogs	1,804	2,057	1,825
Broilers/Fryers	148.620	164.951	155.748
Average Dressed Weight			
Cattle	769	769	764
Hogs	204	204	201
	Last Week	2 Weeks Ago	Year Ago
Poultry Placements (in thousands)¹			
LA Broiler Egg Sets	2,245	2,230	3,682
US Broiler Egg Sets	203,879	204,073	217,208
LA Broiler Chick Placements	1,917	1,902	3,474
US Broiler Chick Placements	166,950	167,602	177,324

Source: USDA Agricultural Marketing Service, USDA National Agricultural Statistics Service and Livestock Marketing Information Center

¹Note the placements numbers are lagged by one week prior to publishing.