2016 is rapidly coming to a close and the livestock industry has experienced another year filled with challenges. As I write this report, the average choice steer live price is $20 per hundredweight below levels one year ago, feeder cattle prices are back $50 plus per hundredweight, and hogs are also well off their highs. There seems to be plenty of red ink to go around in the livestock business and we are not sure if we have seen the bottom yet. Corn farmers also faced difficulty dealing with a large sell-off back in June. It’s a good thing those of us in agriculture are eternal optimists, or we might have trouble getting out of bed in the morning! On the bright side, 2017 is just around the corner, we seem to be looking at good demand for a mountain of grain, and the sun DID in fact come up after the election. All the upheaval from the election cycle was exhausting to me. It seems people don’t know how to agree to disagree anymore…or have a grown-up discussion of issues without pointing fingers and laying blame.

The exact opposite was true at the Global Conference on Sustainable Beef in Banff Springs, Alberta in October. My wife Anne and I were in attendance to represent NLPA’s membership in the Global Roundtable for Sustainable Beef. NLPA staff, once again, did a fantastic job organizing this event. It was inspiring to see the interaction of such diverse segments of the industry all working toward a common goal…sustainability of an industry that will be vital to the protein needs of a growing world population. This year’s conference included 224 participants from 15 different countries. Scott, Katie, Mona and the rest of the staff did a wonderful job making this event flow smoothly, while including plenty of time for interaction among the participants.

I would also like to compliment the Canadian Cattlemen and the Canadian Roundtable for Sustainable Beef for the great job they did hosting this event. We were privileged to tour some ranches on our way to the meeting site. These ranches were excellent examples of how cattlemen and women are working to pass their way of life on to the next generation…the true center of sustainability. The Canadian Roundtable has set a good example of how to measure the sustainability performance of their beef industry and identify opportunities for improvement. I look forward to seeing what the U.S. Roundtable for Sustainable Beef does as it gets geared up and starts digging into this issue. Past NLPA Chairman Jack Hanson will play a part in this process as our NLPA representative to the U.S. Roundtable.

The NLPA staff continues to do excellent work for partners in the livestock industry including the National Institute for Animal Agriculture (NIAA). They have helped keep this organization profitable and grow their membership at a steady level over the past year...
no small feat with all the challenges facing animal agriculture. The NLPA staff had their plates full this past year helping facilitate conferences for NIAA on Equine Diseases in January, Bio-Security in April and Antibiotics in November. They are also working on the NIAA Annual Conference that will be held in April of 2017 in Columbus, Ohio. This organization continues to lead the discussion on antibiotic-related issues and NLPA has played a huge role keeping them successful and moving forward. We enjoyed a presentation at our summer meeting by Katie Ambrose and Dr. Tony Forshey that highlighted all the work done by NIAA over the past year. Past NLPA Chairman Stan Mannshreck continues to represent NLPA on the NIAA Board…we thank him for his service.

The Sheep & Goat Fund is another mainstay in NLPA’s livestock services stable. We were informed at our summer meeting in Santa Fe that the funds loan volume stood at $5.25 million, with commitments of $7.59 million. These commitments included 27 loans to 19 entities in 14 states. Since its inception, $43 million has flowed through this fund. Low interest rates and plentiful credit availability challenge the ability for the fund to generate interest. The Sheep & Goat Fund Committee continues to look for new avenues to make loans. I would like to thank them for their commitment to this endeavor and their industry.

NLPA’s Graduate Institute of Management is another successful program that continues to have solid participation. I am glad our member organizations see the value it provides. We have to keep developing our leadership as an investment in the future.

I heard many positive comments following our summer meeting in Santa Fe. I think the CEOs of our member organizations felt they had particularly good discussions and exchanges of ideas. I think any time we can get this group of livestock professionals together and share our experiences, it is immeasurably valuable. NLPA could have very easily disbanded years ago when it went through some major membership challenges. I think our existence today is in no small part due to the remaining members’ vision and understanding that livestock services remain important to the independent livestock producer. NLPA gives its members a forum twice each year to share successes and failures, and ideally take something home that will help them continue to be relevant in the quickly changing livestock industry. NLPA’s members need to determine what will help them maintain their producer patrons. I remain hopeful we can continue to share what works and find a way to sustain our industry well into the future… the future of our world depends on us.

Sincerely,

Gary Smith,  
Chairman of the Board  
National Livestock Marketing Association
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PRODUCERS COMMODITIES, LLC

Producers Commodities LLC specializes in assisting livestock producers in developing risk management strategies using futures, options, forward contracting and OTC derivatives. Producers Commodities LLC is registered with the Commodity Futures Trading Commission and the National Futures Association as an Independent Introducing Broker and has clearing relationships with FCSStone, Inc. and RJ O’Brien, Inc. in Chicago, IL.

Producers Commodities’ home office is located in Colorado Springs, CO and its branch offices are located in Sioux City, Iowa and Baraboo, Wisconsin.

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NATIONAL INSTITUTE FOR ANIMAL AGRICULTURE

On a contract basis, the National Livestock Producers Association provides association management and related services to other key livestock organizations.

The National Institute for Animal Agriculture (NIAA) is a 501(c)3 non-profit, membership-driven organization that unites and advances animal agriculture encompassing the beef, dairy, equine, goat, poultry, sheep, swine, and aquaculture industries. NIAA is dedicated to programs that work toward the eradication of diseases that pose risks to the health of animals, wildlife and humans; promote a safe and wholesome food supply for our nation and abroad; and promote best practices in environmental stewardship, animal health and well-being. NIAA’s members include animal producers, veterinarians, scientists, state and federal officials, and agribusiness executives. NLPA has provided full management services to NIAA since 2009.

www.AnimalAgriculture.org

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

The Global Roundtable for Sustainable Beef (GRSB) is a global, multi-stakeholder initiative developed to advance continuous improvement in sustainability of the global beef value chain through leadership, science, and multi-stakeholder engagement and collaboration. The GRSB envisions a world in which all aspects of the beef value chain are environmentally sound, socially responsible and economically viable.

NLPA provides administrative services to GRSB including communications, finance, membership and event management. In 2016, the GRSB held its second Global Conference on Sustainable Beef in Banff, Alberta, Canada at which discussions were held on the progress of national and regional roundtables and projects related to sustainable beef.

www.GRSBeef.org
Livestock marketing and credit requires a high degree of management expertise. The many facets of serving livestock producers require special skills that must be developed and honed. From financial management, to human resource management, to fully understanding the regulatory environment in the industry, it is imperative that professionals continue to develop their skills.

The NLPA Graduate Institute of Management is a series of training and educational modules that provide invaluable resources to those individuals within the NLPA membership who will be tomorrow’s leaders in livestock marketing and credit. During 2016, the Graduate Institute of Management graduated 22 future leaders from within the NLPA membership.

In 2000, the National livestock Producers Association Sheep & Goat Fund Committee made its first loan to the industry. Currently the Fund has 23 loans to 15 entities in 12 States. The Fund began with $14 million and has since revolved more than $44 million into sheep and goat related projects. The Fund can be used many ways, including: purchasing land or equipment, renovations, implementing weed control, fire protection, predator control, and breeding and genetics programs. The Fund can also be a valuable tool in restructuring your current financial package to help secure longer term, fixed rate loans that may otherwise be unavailable.

NLPA and its members lend the program extensive credit experience with a focus on agriculture and the ability to service loans nationwide, often using local lenders. NLPA works closely with industry leaders who possess an in-depth understanding of the sheep and goat industries and their credit and operational challenges. The Fund is delivered through either direct loans or loan guarantees -- grants are not available through this program. Funds are available to qualified applicants at a competitive interest rate.

The applications, descriptions of funded projects, news, industry links and a downloadable presentation are available at www.SheepandGoatFund.com.
MISSION
To be the national livestock organization that provides a strong voice to protect a positive business environment and fair, competitive markets on behalf of its members through financial services, communication and advocacy.

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