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Address



### ***Fall 2012 Newsletter***

#### ***2012 Samson Summer Event Thank You***

We would like to thank all of those who helped make our summer event a success. The staff enjoyed the opportunity of putting faces with names and familiar voices. It was great to see such a high turnout this year, and we are already looking forward to next year's events. If you have any thoughts or suggestions for next year, please feel free to let us know. We would like to send out a special thank you to Temple Grandin, who put on a cattle-working demonstration at the Samson feedlot. She also gave a presentation, which was opened to the Columbus public as well as Samson customers, and received very positive feedback. We would also like to thank the packers who helped in our packer Q & A session, especially Leon Spronk – Greater Omaha Packing, Paul Holmes and Brandon Ford – Creekstone, and Lisa Mujica – Cargill. This session is always a customer favorite, and we couldn't do it without the expertise and time of these packers! Thank you as well to Gary Tibbetts from Zinpro for his presentation; Pfizer Animal Health for sponsoring the meal on Monday; and Greater Omaha Packing for donating the meat on Sunday night.



## Samson Products and Features

By: Jordan Mueller

### Carcass Data

As many of you are aware, we have implemented a new service of providing carcass data to ranches and feedlots that sell cattle to Greater Omaha Packing (GOP) for Age & Source or NHTC programs **free of charge**. If the cattle are tagged with a program tag and are sold to GOP for an export market, both the ranch and feedlot will receive a report with the carcass data from our office. Below is an example of the report that you will receive.

### Advertising Cattle and/or Pasture Ground

In our last newsletter we introduced our new cattle advertising section. This is a free service to Samson customers and has been having excellent results. To give you some numbers: Age & Source cattle listings with pictures had over 950 views. NHTC cattle listings with pictures had over 1600 views! If you are interested in advertising your calves, or if you are looking to buy cattle, please contact Jordan @ 402-606-4096. You can check out the current listings at: <http://www.samson-inc.com/advertising.php>

### Age & Source News

Many of you have had questions about the direction of the Age & Source programs. As of now, there has been no change to the 21 month age limit for Japan. The process to change to 30 months is currently going through Japanese review. A Japanese delegation came to the Samson office in mid-September and indicated they did not see any changes until at least the middle of next year. However, rest assured, if any changes do occur, we will let everyone know right away. In the mean time, many packers recommend staying the course as they are having difficulty finding cattle to harvest.

If you do not implant your cattle, you may also consider the Non-Hormone Treated Cattle program which is for cattle being exported to the European Union. This market has a premium of ~\$130-\$150/head at harvest and is in high demand from packers. This market has been very steady over the past years and ranch calves that qualify have been in very high demand from feedlots. If you have interest in the NHTC program, please contact our office for more information.

### Did you Know?

We are looking into developing calf production tracking software and smart phone apps. If you have interest or suggestions about useful design/information, please let us know.

We offer both a visual dangle tag and an EID option for tagging your calves.

## Staff Updates

As some of you are aware, we have made an addition in our compost department. Michael Beaumont started working with Samson at the end of July and is currently working in the compost department. Michael grew up on a crop and cow/calf ranch near Hampton, NE. He attended Lincoln College in Lincoln, Illinois, and graduated in 2010 with a degree in business management. He and his wife Mindy currently live in Columbus with their two children.

Beginning mid-October, Sara Eickmeier will be on maternity leave through mid-December. Any commodity brokerage calls or billing inquiries will be handled by Scott or Jordan. We appreciate your patience during the shuffling of responsibilities.



Feedlot Name

Ranch Name

Quality Grading			
Prime	2	7.69%	
Choice	24	92.31%	
Select	-	0.00%	
Standa	-	0.00%	
Others	-	0.00%	
Total	26	100.00%	
CAB	16	61.54%	

Yield Grades			
YG 1	-	0.00%	
YG 2	4	15.38%	
YG 3	10	38.46%	
YG 4	11	42.31%	
YG 5	1	3.85%	
Avg. YG	3.84	100.00%	

Program Tag	Kill Date	Tag COLOR	Ranch TAG	EID Tag	CARCASS ID	HOT WT	Adj Live Wt	Gain per Day of Age	QUALITY GRADE	USDA Y G	CAB
89000	9/10/12		W D-10		185	811	1287		P	4	
89002	9/10/12		O 136		131	801	1271		C	2	Yes
89005	9/10/12		W 3762		140	896	1105		C	2	
89006	9/10/12		W 1012		149	798	1267		C	4	Yes
89012	9/10/12		O 81		168	827	1313		C	4	Yes
89015	9/10/12		W 1216		138	701	1113		C	3	Yes
89017	9/10/12		NT		147	822	1305		C	2	Yes
89018	9/10/12		NT		159	892	1416		C	4	Yes
89021	9/10/12		NT		145	881	1367		C	5	Yes
89026	9/10/12		W D-1		148	754	1197		C	4	
89028	9/10/12		O 122		169	850	1349		C	3	

## Markets

By: Jordan Mueller

### Cattle Outlook

Negative packer margins, in conjunction with a decline in the beef cutout, have caused a pushback in cattle prices as packers fight for profits without cutting production. Deferred prices have the best chance of rebounding as we will be faced with short supplies of beef next spring and summer.

Eventually the drought will break, and when it does herd rebuilding will take center stage. Feeder prices will increase as more heifers are kept back for replacements and beef prices increase.

Close-out projections are becoming more important as prices continue to be volatile. Samson has developed a helpful spreadsheet for computing breakevens for cattle lots. If you would like to calculate a projection on a set of cattle, please call Scott @ 402-606-4096.

### Grain Outlook

Harvest brought quite a bit of downside pressure to both corn and soybeans, however, after the latest USDA report the market appears ready to resume the uptrend. Do not be lulled by the recent break, the market is still quite capable of trending higher this Fall (\$8.00+ for corn and \$17+ for soybeans). If you are a feedlot looking to secure feed for this coming spring, we recommend gaining physical control of the grains instead of straight futures contracts, as supply may become an issue next year when commercials fight to fill contracts sold for delivery abroad.

The current market is not for the faint of heart. Price swings, especially in the soybean market have been large and frequent. Many customers have called in asking if they should lift hedge positions. In general we recommend against lifting hedge positions unless you are in an extremely strong financial position. Lifting your positions can yield great rewards, but it can also be disastrous if the market turns against you. If you have questions on hedges, options, or general strategies, please call Scott, Sara, or Jordan @ 402-606-4096.

## Customer Services Department

By: Amber Miller

### Calving Record

As cattle are being weaned, tagged and transported to their new location this fall, it is important to remember that along with the tag data we will also need the calving record. If the cattle are back-verified and tagged at the backgrounder or feedlot we will contact the ranch on your behalf to request the calving record.

We ask that you submit your calving record in a timely fashion so we can process all of the information and have it ready when shipping affidavits are needed.

### Pending Information

Prior to inputting cattle information into our database, we must acquire the "tagging information". This includes the required Program Tag number, Program, Ranch of Origin and Birth Date and the optional (but extremely helpful) Ranch Tag and Sex. We also need to have any required supporting documents such as Back-Verification forms, VQA forms, etc. prior to "uploading" into the database. If we are missing any of this information the data sits in the pending file until it is received. We do contact the individuals who may have the missing information via email, phone calls, or postcard periodically. However, as noted above, we cannot process any shipping affidavits until all information and forms are in hand.

### Carcass Data

Everyone received a letter stating that carcass data results would be available to those that harvest animals at Greater Omaha Packing. We are currently emailing all of that information. If you do not have access to email we will be glad to mail that information to you. We will mail the aggregated data after the entire group is harvested. If we don't have an email address in our system for you and you would like to receive that information after each harvest date please feel free to contact us with that information. Our office number is 402-606-4096 or email us your email address at [contact@samson-inc.com](mailto:contact@samson-inc.com).

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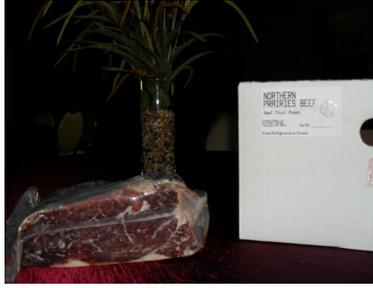
PLEASE NOTE THAT THERE IS AN INHERENT RISK OF LOSS ASSOCIATED WITH TRADING FUTURES AND OPTIONS CONTRACTS EVEN WHEN USED FOR HEDGING PURPOSES. PLEASE CAREFULLY CONSIDER YOUR FINANCIAL CONDITION BEFORE INVESTING IN FUTURES AND OPTIONS CONTRACTS. FUTURES TRADING IS NOT SUITABLE FOR ALL INVESTORS. WHEN INVESTING IN THE PURCHASING OF OPTIONS, YOU MAY LOSE ALL OF THE MONEY YOU INVESTED. WHEN SELLING OPTIONS, YOU MAY LOSE MORE THAN THE FUNDS YOU INVESTED.

## Customer Spotlight

### Northern Prairies Beef

By: Dani Went

Northern Prairies Beef is a value-added, beef labeling, research project at Samson Verified. The first objective of the project is to discover if there is sufficient demand, as measured by added dollar value, for Source and Beef Quality Assurance (BQA) verified beef products. The first cattle harvested under the Northern Prairies Beef label was from the Keith Messersmith Ranch. A “Harvest Dinner” will be held at Traditions Inn next month to provide a beef tasting opportunity where people will be encouraged to provide feedback on the product. We have also been in contact with the Nebraska Department of Agriculture to identify retailers, both domestic and international, who may have interest. If it is discovered that there is sufficient value, the next objective will be to identify a processor who would be willing to process beef for that market. The main goal, however, is to create a market pull-through effect for the quality cattle that are produced, VQA tagged and managed in a BQA system.



We feel a strong component of the NPB project is to share the story behind the beef. Keith Messersmith and his family live near Farnam, Nebraska and maintain an Angus operation of 400—500 cows. The operation has a long-standing family tradition, with some farmland being in the family for over 100 years. The Messersmith family strives to improve their operation by purchasing quality bulls for their breeding program. They also work closely with Stock-Aid Vet Clinic to maintain a quality health and vaccination program. They are a part of the Beef Quality Assurance (BQA) and Vet Quality Assurance (VQA) programs. This operation has previously sold branded beef in Colorado, under the label Angus Beef. “Our cattle have always graded well, and we strive to uphold a good reputation.” — Keith Messersmith

Today, VQA tagged ranch calves generally earn an additional \$13.15 per head at the auction market. The challenge will be to keep making the pie a little bigger for all to share.

### Compost *By: Scott Mueller*

In the early 1990’s we set a goal of developing a waste management system for our feedyard that would be revenue neutral. We started with a contract with the City of Columbus to compost yard waste. This allowed us to “suit up” with the necessary equipment to compost our feedlot waste. Initially, the finished product was used as fertilizer for our crop operation and we then began to sell and apply the compost to neighboring operations. For the first 15 years the cost of commercial fertilizer prevented us from having enough margin to devote the time and labor to developing a first class product. However, for those who are in the grain production business, that has changed. With the rising cost of fertilizer the past couple of years we have been able to increase the price of compost to 85% of the commercial fertilizer value and have enough margin to develop a product that is consistent, sterile and of superior value to commercial fertilizer. Today we have a full-time compost operations manger that is working to provide continuous improvement to our products. I am confident over the next year that you will see a visible difference in product quality and customer service.



Be sure to “like” us ([Samson Verified](#)) on Facebook to receive updates!

