

06/03/2002 Entry: "Notice to Cattle Producers Selling on the Grid"

It is the intention of KCA to keep all members informed on all issues not just a select few.

Ken Winter, KCA President

To: R-CALF USA Members and Affiliates
From: Bill Bullard, CEO, R-CALF USA

Re: Notice to Cattle Producers Selling on the Grid

R-CALF USA member and President of the Kansas Cattlemen's Association Ken Winter informed us today that a Dodge City, KS, feed yard just learned that Farmland Beef may have changed the formula for determining the base price on cattle marketed on the grid. It was reported that the normal pricing was West Kansas weekly top. But the feed yard found it was changed to plant average. The feed yard had not been informed of this change.

The cattle that were sold on the grid when this change was discovered were marketed through a western Kansas cattle marketing service. In a phone conversation with a representative from the marketing agency, I learned that the Packers and Stockyards Administration was informed of this situation and was considering what action to take. However, it appears many producers are still unaware of the change instituted by Farmland Beef.

This message is to inform our members and Affiliates about this situation. Be sure if you are marketing cattle that you understand the details of the formula being used by the packer.

We will keep you informed if further developments occur.