

The WNC Regional Livestock Center (WNC RLC) has been created **to serve the livestock producers in WNC by putting more money in their pockets** thereby creating agribusiness for the mountain region. The overall success will be confirmed through the measurement of the increase in money made from the production and sale by producers. Objectives that contribute to the primary goal of putting more money in the pockets of producers.

GOAL	MEASUREMENT CRITERIA	12/31/12	12/31/13
Achieve \$8 to \$10 million gross sales annually	The aggregate annual sales volume generated at the WNC RLC	Sales for 2012 were 14,795 head of livestock for \$11.1 million dollars not including 760 sheep and goats. This brings the total since opening to 31,000 head at \$23.4 million. Despite a slight drop in price due to higher corn prices, market prices remain high and WNCRLC prices are competitive	Cattle sales for 2013 were up 11% with 16,472 head, not including goats and sheep. Sales dollars of \$12.8 million were up 14% reflecting the increase in beef prices. This brings the sales to 47,500 head for \$36 million dollars since opening in March 2011, with an economic impact of \$54 million when multiplied by 1.5, putting > \$2.0 million more money in the pockets of farmers annually.
Conduct 48 weekly livestock auctions sales annually	The number of sales conducted	46 weekly sales were conducted in 2012. With executive decision and to support the opinion of livestock producers, 1 week was closed for weather and 1 for an extra holiday . (Memorial Day)	Due to unfavorable weather, there were only 45 weekly sales in 2013. The full calendar of 48 are scheduled for 2014.
Open with a goal of averaging 300 head of livestock sold weekly and reach an average 500 -700 head sold weekly by 12/31/2013	The number of head of livestock sold weekly	Weekly headcount has dropped slightly to 321 with the drop coming from farmers keeping heifers on the farm to breed and build the herd in response to the higher prices in the market. This trend will likely continue as the long-range outlook in the market reflects a demand that outpaces supply, keeping prices high. Higher corn prices are somewhat offset with plentiful hay from a favorable growing season.	Tracking below the goal, we have and are working to correct, overtime. The weekly average for the full year was 356; however, due to favorable traction of the "Livestock Expansion Program," the average for the last 6 months was 385, up 20 % over the same period the prior year. This program included activating 4 pick-up stations in the outlying counties and providing a mileage incentive for transport from those areas. These efforts were made possible with grants from Southwestern Commission/ ARC, NC Rural Center/NC Dept. of Commerce, and NCDA TVA Agriculture & Forestry Fund, with education funds provided by NC Tobacco Trust Fund Commission.

<p>Realize \$45.00 per head savings/profits for the producer over current practice</p>	<p>Compare the new cost to the baseline current cost. <u>Savings Targets Per Head:</u> (1) Mileage @ \$2.50 ; (2) Shrinkage @ \$6.00; (3) Sales transaction @ \$2.50 and (4) Price @ \$34.00 = Total \$45.00</p>	<p>Since opening in March 2011, farmers have enjoyed "more money in their pockets" to the tune of some \$2.0 million dollars, well above the \$45 estimate. These savings are from lower transportation costs, as well as less shrinkage from having the market in the mountain region. Farmers continue to be satisfied with these results.</p>	<p>Farmers are continuing to enjoy more than \$2.0 million more "money in their pockets" annually. Mountain Cattle Alliance members, under the BQA (Added Value) program, are enjoying even greater profits. With certified pre-conditioning, a 600-pound steer will bring ~ \$110 more dollars (~+15%) than if sold at auction in the Arena. More than 80 farmers are now BQA-certified.</p>
<p>Achieve market share of 50 to 70% when the market base line is 40,000</p>	<p>Record the number of head sold in a period.</p>	<p>Activity at the market continues to show growth with more than 2,800 individual registrants (buyer and sellers). Professional buyers remain committed, and prices continue at market or slightly above. These conditions help ensure the market share which is perceived to be well above the 50% level and growing.</p>	<p>The earlier estimate of an annual market of 40,000 head has been adjusted down as farmers are holding helpers previously sold, to increase their herd. This is being driven by higher market prices brought on by an imbalance in supply and demand with demand far exceeding supply. The adjusted base is ~ 36,000. Annual sales of 16.5K for 2013 is 46% of the base. With an increase in the herd and with the continuation of the Livestock Expansion Program, the outlook for the market is favorable.</p>
<p>Serve WNC Counties - Achieve 50 - 60 % of the sales volume from Haywood and Buncombe Counties and the 40 - 50% from surrounding counties</p>	<p>Record and measure the number of livestock from the source county.</p>	<p>The sales volume has continued to be served by high volume from Haywood and Buncombe Counties. However, our current perception suggests there may be more growth potential in the outlying counties than previously thought. This is leading us to develop satellite "pick up" program whereby farmers can drop of their livestock locally and have SELEX delivered them to the market for sale.</p>	<p>While a larger volume of livestock sales are from Buncombe and Haywood Counties, the results of the pick-up stations and mileage incentives have increased the volume from outlying areas and has diluted the percentage measurement. However, the intent of the goal was to ensure the core area of Buncombe and Haywood was engaged in the market. That has clearly been confirmed with strong participation from both counties.</p>

<p>Increase the number of livestock produced annually in WNC by 20,000 in 5 years</p>	<p>Monitor annual reporting for the number of livestock as reported in NC Department of Agriculture records.</p>	<p>The strategy of farmers to build the herd during this extended period of high prices and good growing seasons continues. Farmers are buying pairs and heifers to hold for breeding. They are also holding the new heifer calves for future breeding. This will be a gradual build up at the market as the cycle for reproduction is 2 or more years. We remain encouraged in the outlook for the growth of the market.</p>	<p>With an inherent lag in census data, the general feeling derived from verbal discussion with farmers suggests farmers are building their herds by holding their heifers for breeding - a trend further confirmed by the purchase pattern in the arena where local farmers are buying cow and calf pairs to add to their herd. SELEX has transported high-quality cow and calf pairs from eastern NC to encourage better genes in building of herds. This has shown significant progress and genetics will be a component of the education programs.</p>
<p>Increase the number of farm workers producing livestock by 125 FTEs in 5 years</p>	<p>Monitor annual reporting for the number of producers as reported in Department of Agriculture records.</p>	<p>The best measurement for this is the visible enthusiasm shown by the frequent attendees to the weekly market. It is not uncommon for three generations of family members to be present with the younger generation buying livestock to begin their herd. USDA data is expected to confirm this development when it becomes available.</p>	<p>The increase in building herds is an indicator that opportunity for adding farm workers is favorable. Family farmers continue to encourage the new generations to continue livestock production. The favorable market with high prices provides the income to support continuity. Putting "more money in the pockets" of family farmers serves as a strong incentive.</p>
<p>Attract an average of 150 visitors weekly including buyers, sellers and spectators.</p>	<p>Maintain weekly attendance records in general.</p>	<p>Average weekly attendance continues to be near full capacity of 190. The barn show area (the popular cat walk) continues to be congested on sale day. Plans are to remedy this during the next year by increasing the width of the catwalk.</p>	<p>This goal is easily confirmed by the weekly overflow of the 190 seat arena. This is also reflected in congestion on the catwalk. In fact, the catwalk is slated for expansion to eliminate this "dissatisfier" among buyers and sellers; the NC Tobacco Trust Fund Commission has provided some matching funding for this effort. A matching grant application is pending. Confirmation of interest is reflected in the fact that 3,790 seller and 1,690 buyer control numbers have been issued since opening.</p>
<p>Operate in full compliance of all regulatory requirements and take immediate corrective action of any infractions.</p>	<p>Were there any infractions? If so, were they promptly resolved?</p>	<p>Operated In full compliance with no infractions!</p>	<p>Operated In full compliance with no infractions! A license question raised by the health department regarding a sub-contractor (food vendor) was resolved in a timely manner.</p>

ng an economic dynamic to increase the livestock production component
roducers. The measurements will include a number of supportive sub-goals

12/31/14

The annual sales for 2014 was \$19.8 million.The total market headcount (Arena and Video) annual sales was 19104 (up 12.6% over the corrected count of 16964 for 2013). The total annual sales dollars for 2014 were \$19.8 million, up 39% reflecting both "added value" programs and record market prices. This brings the total head sold since opening in March 2011 to 68,498 for \$55.4 million and \$84.4 million economic impact when multiplied by a conservative 1.5. When considering the cost savings of more than \$2 million annually, coupled with added value practices along with the rise in market prices, this livestock market project is putting greater than \$7.0 million "more money in the pockets" of producers, annually.

The market conducted 46 weekly sales in 2014 New Year's Day for 2015 fell in the 2014 schedule making 6 holidays rather than the 5 in the present schedule. Also, there were 3 special sales and 3 video sales. Sheep and goat sales (~1000 annually) are conducted weekly, with the second Monday in the month as a Special Sale when additional buyers were present.

The weekly average for 2014 was 415 head Despite the fact that the pick up station program was put on furlough due to depletion of funds for more than 6 months, the market enjoyed a 12.6% increase over 2013 bringing the average to 415 head per week. The increase in volume was attributed to greater sales due to the high market prices and also the new volume which came as a result of the pick up station program. This program provided a transport incentive to encourage farmers to change their pattern of practice and bring their livestock to WNCRLC. It was put on furlough in the last half of 2014 due to lack of funds. It is being re-activated in 2015 with the support of a grant from NC Tobacco Trust Fund Commission. While the goal to reach 500 weekly is still valid, the pace of growth has been more challenging than anticipated. It is somewhat influenced by two competitive factors. One is more farmers are selling higher value products direct to the local restaurants and another is the nearby packing house has a program with larger dairies to purchase slow cows directly from the farm. Both take away volume from the auction market.

As previously stated, farmers are enjoying a surge in increased income from livestock production. This goal, which was ambitious at the time, seems low with the sizable increase in market price. The revenue increase from sales at the local market was 39% for 2014 with more than half related to increased value in livestock sold. **This would equate to \$141 per head in savings/profits per head.** Farmers are enjoying a healthy profit margin over prior years by keeping the rise of production costs below the pace of rising prices. This creates a favorable incentive for greater livestock production.

With the overall market adjusted to ~ 36,000 annually and the sales volume of 19104, **the market share rose from 46% to 53%** With the growth in the emerging market for local and grass fed beef, the base of livestock sold through traditional markets is declining. The reported volume of livestock inventory includes this growing market that is normally harvested and sold to restaurant and retail markets for beef. Grass fed cattle are often grown under and agreement with a processor or sold directly to the processor. Grass fed producers do not purchase from or through the auction market. With these dynamics it becomes more difficult to relate the actual size of the traditional market to the numbers reported by NCDA. Also, more farmers are holding their heifers to rebuild herd to meet the increase in demand.

With the success of the programs to reach out to outlying counties, the percentage of livestock sold in the market from Buncombe and Haywood volume is diluted, when compared to the total market. Both Buncombe and Haywood livestock production remains high and is growing. The importance of this measurement was to track the leakage of sales to the Tennessee market where strong allegiance existed at the time of opening. The success of farmers selling locally is extremely high as measured by the number of sellers registered at the market from Buncombe and Haywood counties. Many known "naysayers" are currently happy participants at WNCRLC.

This stat is difficult to grasp. The reports from NCDA indicate there is a slight growth in livestock numbers in certain counties and slight loss in others. Extension agents must give their estimate of the inventory status. It sometimes differs from local livestock marketing personnel who feel the herd inventory is increasing. Producer opinions vary. Some feel the cattle inventory on the farm is growing while others feel they are being sold off to take profit during the high priced market. This seems to vary depending upon the where folks are from across the 20 county area. We just don't know. What we do know, however, is the market has had a sizable increase in buyers and sellers registered at WNCRLC. The current total reflects more than 4000 sellers and 1700 buyers are using the market. This compares to the number of 3000 producers in the area as stated in the original feasibility study. Our educational programs are getting great participation. Farmers are working to increase quality and to add value to their production. All in all we feel the local cattle industry is healthy despite the fact it cannot be accurately measured. The activity can be and it is strong.

While it is hard to measure the increase in FTE's related to the increasing volume sold at WNCRLC and the increasing market it is of interest to see the increase in the number of farmers (buyers and sellers) registered at the market. The total registered 4000 seller numbers and 1700 buyer numbers with no duplicates. This suggest more than 5000 livestock entities (farmers, farm corporations and buyers) are using the facility. The increase in local sales activity is another good indicator that farm hands are being employed.

The market continues to be extremely popular with the 190 seat arena showing standing room only on most sale days. The number of registered buyers and sellers has grown considerably In the last year contributing to greater congestion in both the arena and the catwalk. Catwalk congestion was considered the greatest negative of the market until the end of the 2014. Fortunately, with grant support from NC Tobacco Trust Commission and from NC ADFP, the catwalk has been expanded to alleviate the congestion. The high traffic areas were increased 150% in width allowing for smooth flow as well as for stationary areas for livestock viewing. This project was greeted with accolades and genuine appreciation by all patrons. .

Operated In full compliance with no infractions! An Audit of SELEX by Packers and Stockers was most favorable.