Agri-News

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Iowa Cattle on Feed Numbers up 4% from Last Year

Iowa: There were 844,000 cattle on feed for the slaughter market in all feedlots in Iowa on December 1, 2006, up 2 percent from November 1, 2006**,** and up 4 percent from December 1, 2005. Feedlots with a capacity greater than 1,000 head had 500,000 head on feed, up 2 percent from last month but unchanged from last year. Feedlots with a capacity less than 1,000 head had 344,000 head on feed, up 1 percent from last month, but down 4 percent from last year.

Placements during November totaled 148,000 head, a decrease of 5 percent from last month and 26 percent from last year. Feedlots with a capacity greater than 1,000 head placed 82,000 head, down 25 percent from last month and 24 percent from last year. Feedlots with a capacity less than 1,000 head placed 66,000 head. This is up 40 percent from last month but down 28 percent from last year.

Marketings for November were 131,000 head, up 6 percent from last month and 7 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 70,000 head, down 10 percent from last month and down 13 percent from last year. Feedlots with a capacity less than 1,000 head marketed 61,000 head, up 33 percent from last month and 42 percent from last year. Other disappearance totaled 3,000 head.

United States: Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.0 million head on December 1, 2006. The inventory was 2 percent above December 1, 2005 and 6 percent above December 1, 2004. This is the highest December 1 inventory since the series began in 1996.

Placements in feedlots during November totaled 1.89 million, 8 percent below 2005 but 8 percent above 2004. Net placements were 1.81 million. This is the second lowest placements for the month of November since the series began in 1996. During November, placements of cattle and calves weighing less than 600 pounds were 555,000, 600-699 pounds were 565,000, 700-799 pounds were 404,000, and 800 pounds and greater were 365,000.

Marketings of fed cattle during November totaled 1.80 million, 6 percent above 2005 and 10 percent above 2004. This is the second highest fed cattle marketings for the month of November since the series began in 1996.

Other disappearance totaled 83,000 during November, 9 percent below 2005 and 23 percent below 2004.

All Cattle on Feed, Iowa

Item	Lots 1,000+ Head	Lots Less than 1,000 Head	All Lots
	1,000 Head	*1,000 Head*	*1,000 Head*
Cattle on Feed, November 1, 2006	490	340	830
November Placements	82	66	148
November Marketings	70	61	131
November Other Disappearance	2	1	3
Cattle on Feed, December 1, 2006	500	344	844

Cattle on Feed: Number on Feed, Placements and Marketings by Month, 1,000+ Capacity Feedlots [1]

State	Cattle on Feed December 1			Placements during November			Marketings during November			November Disappearance other than Slaughter [2]		
	2005	2006	'06 as % of '05	2005	2006	'06 as % of '05	2005	2006	'06 as % of '05	2005	2006	'06 as % of '05
	1,000 Head	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*
IA	**500**	**500**	**100**	**108**	**82**	**76**	**80**	**70**	**88**	**3**	**2**	**67**
KS	2,470	2,550	103	465	405	87	375	385	103	30	20	67
NE	2,400	2,510	105	440	460	105	305	380	125	15	10	67
SD	190	210	111	63	56	89	33	35	106	1	1	100
Oth Sts	335	360	107	46	64	139	34	43	126	2	1	50
US	11,726	11,973	102	2,045	1,889	92	1,701	1,802	106	91	83	91

[1] Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better. [2] Includes death loss, movement from feedlots to pasture, and shipments to other feedlots for further feeding.

Hogs & Pigs Inventory Sets New Record High

On December 1, there were a record-high 17.2 million hogs and pigs on Iowa farms. The December 1 inventory was up 600,000 from a year ago, and up 200,000 from September 1, 2006.

The September-November 2006 pig crop was 4.2 million head. A total of 465,000 sows farrowed with an average litter size of 9.05 pigs per sow.

As of December 1, producers planned to farrow 450,000 head of sows and gilts in the December 2006 – February 2007 quarter. Farrowing intentions for the March-May 2007 period were estimated at 470,000 as of December 1, 2006. If realized, this would be up 5,000 sows farrowed during the same period in 2006.

Hogs and Pigs: Breeding, Market, and Total Inventory
By Selected States and United States, December 1, 2005-2006 [1]

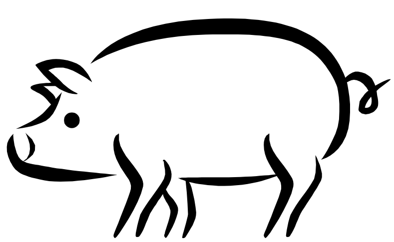
State	Breeding			Market			Total		
	2005	2006	'06 as % of '05	2005	2006	'06 as % of '05	2005	2006	'06 as % of '05
	1,000 Head	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*
IL	430	440	102	3,570	3,760	105	4,000	4,200	105
IA	1,070	1,080	101	15,530	16,120	104	16,600	17,200	104
MN	590	590	100	6,010	6,210	103	6,600	6,800	103
MO	345	360	104	2,355	2,390	101	2,700	2,750	102
NE	350	365	104	2,500	2,635	105	2,850	3,000	105
NC	1,010	1,010	100	8,790	8,490	97	9,800	9,500	97
US	6,011	6,088	101	55,438	56,061	101	61,449	62,149	101

[1] May not add due to rounding.

Market Hogs and Pigs: Inventory Number by Weight Group,
Selected States, and United States, December 1, 2005-2006 [1]

State	Under 60 lbs.		60-119 lbs.		120-179 lbs.		180 lbs. and over	
	2005	2006	2005	2006	2005	2006	2005	2006
	1,000 Head	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*
IL	1,300	1,270	860	930	740	820	670	740
IA	4,610	4,870	4,180	4,400	3,520	3,620	3,220	3,230
MN	2,320	2,370	1,460	1,490	1,200	1,290	1,030	1,060
MO	1,105	1,110	480	460	450	485	320	335
NE	980	1,010	660	690	470	520	390	415
NC	3,450	3,410	2,130	1,940	1,720	1,710	1,490	1,430
US	20,055	20,334	13,524	13,603	11,293	11,544	10,567	10,580

[1] Weight groups may not add to Market due to rounding.



ECONOMIST CORNER

Livestock by Shane ellis and Grains by Robert Wisner
Iowa Cooperative Extension Service – Ames

Livestock: The cattle market is beginning to show some “bullish” behavior, a start to the seasonal upswing in prices. Despite a record number of cattle on feed for this time of year, live cattle prices have been steady to higher, and expectations are that prices will increase over the next four to five months. Recent futures prices held a healthy premium over the current cash market, which shows optimism. Cattle finishers will be taking a hard look at how much they will be offering for feeder cattle this year. After learning in 2006 that cheap corn does not guarantee profitability, finishers will offer significantly less for feeder cattle in 2007. Although corn is no longer cheap, cattle finishers continue to feed cattle to heavier weights despite the higher cost of gain.

The December Hog and Pig Report released the last week of December confirmed expectations that the expansion in the national swine breeding herd would continue. The number of hogs kept for breeding was up 1.7% and total swine were up 1.1 %. Iowa’s breeding herd was up only 0.9% while total swine were up 3.6%, an indication that the state remains an importer of feeder pigs. Despite the increased number of breeding swine, there are indications that the industry’s expansion is slowing. Farrowing intentions for the winter months were more than a percent lower than a year ago, but are up 2.2 percent for the spring. While swine producers are feeling the pinch from higher feed costs as the price of corn has doubled in the past twelve months, it usually takes a significant drop in hog prices to deter or reverse expansion.

Demand will continue to play a large part in the marketplace in the coming year. Beef and pork exports are strong and will continue to increase throughout the coming year, pending no “catastrophic” health concerns. Export data indicates that as of October beef exports were up 79% and pork exports 11% from the year previous. Additional export volume has helped strengthen the pork market by offsetting softer domestic demand. Domestic beef demand appears to have remained steady from 2005 to 2006.

Grain: Corn and soybean prices in the next few months will take direction from three USDA January 12 reports, as well as crop conditions in South America and crude oil prices. The grain stocks report will let analysts estimate domestic corn feeding during September-November 2006. Livestock numbers suggest corn feeding was large. Domestic corn feeding is still the largest source of demand for the crop. Revised corn and soybean production estimates also will be important to the market. The third report is the U.S. and World Supply-Demand Report from the USDA World Agricultural Outlook Board. It may include updated corn and soybean production forecasts for the Southern Hemisphere countries as well as updated U.S. utilization and carryover stocks projections.

Crop conditions have been very favorable for corn and soybeans in Brazil and Argentina so far this growing season. It would not be surprising to see increased soybean production estimates for both countries. Updated projections of China’s corn exports and soybean imports for the current marketing year also will be important market indicators. Cumulative corn export sales since September are up 39 percent from a year earlier and soybean export sales are up 71 percent from last season’s very depressed sales. Continued favorable crop conditions in South America through early March might slow U.S. soybean export sales during the April-September period.

The major driving force in both corn and soybean prices in the next four months is almost certain to be the need for a sharp increase in U.S. corn plantings this spring – to meet the rapid expansion in processing for ethanol. Last year’s corn crop fell more than a billion bushels below expected demand, despite the second-highest U.S. corn yield on record. The shortfall can be filled from old-crop carryover stocks this season, but next year the crop will need to match market demand. Sharply increased corn plantings are almost certain to cause a drop in soybean acreage. That will likely set the stage for some tightening of soybean supplies next season, even with favorable weather.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Dec [1] 2005	IOWA Nov [1] 2006	IOWA Dec [2] 2006	U.S. Nov [1] 2006	U.S. Dec [2] 2006
		---------------Dollars---------------				
Corn	Bu	1.87	2.84	3.00	2.87	3.01
Oats	Bu	*	2.17	1.90	2.02	2.06
Soybeans	Bu	5.66	6.09	6.15	6.07	6.14
Alfalfa, baled	Ton	82.00	86.00	91.00	109.00	112.00
All Hay, baled	Ton	80.00	85.00	89.00	106.00	108.00
All Hogs	Cwt	45.20	46.50	44.70	44.80	43.20
Sows	Cwt	38.50	36.30	33.30	35.40	32.80
Brw & Gilts	Cwt	45.30	46.60	44.80	45.20	43.60
Beef Cattle	Cwt	93.50	84.90	84.30	84.70	83.70
Cows	Cwt	48.40	46.40	43.90	43.40	42.90
Strs & Hfrs	Cwt	94.40	85.70	85.10	90.20	89.20
Calves	Cwt	128.00	104.00	107.00	118.00	115.00
Milk Cows [3]	Hd	-	-	-	-	-
Milk (whls)	Cwt	15.60	14.10	14.20	13.90	14.20
Sheep	Cwt	49.70	35.90	-	30.90	-
Lambs	Cwt	90.00	89.90	-	95.00	-
Eggs (mkt)	Doz	0.491	0.610	0.600	0.675	0.665

[1] Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. [2] All prices are mid-month. [3] Prices published January, April, July, and October. *Not published to avoid disclosure of individual firms.

Prices Received Index Summary Table

Prices Received	IOWA Dec 2005	IOWA Nov 2006	IOWA Dec [1] 2006	UNITED STATES Dec 2005	UNITED STATES Nov 2006	UNITED STATES Dec [1] 2006
	1990-92=100 [2]					
Prices rec'd	99	112	113	115	120	121
Crops	91	119	124	111	123	129
Oil Bearing	102	109	110	102	107	110
Feed Grains	84	126	133	90	128	135
Lvstk	107	105	102	120	116	113
Meat Anim	105	102	100	121	113	109
Poult & Eggs	103	124	122	123	133	125
	1910-14=100 [3]					
Prices rec'd	-	-	-	730	759	771
Crops	-	-	-	546	604	636
Oil Bearing	-	-	-	559	584	599
Feed Grains	-	-	-	323	458	481
Lvstk	-	-	-	918	892	868
Meat Anim	-	-	-	1230	1146	1113
Poult & Eggs	-	-	-	329	375	350

[1] Preliminary [2] 1990-92=100 reference replaced 1997=100 in January 1995. [3] Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Dec 2005	Nov 2006	Dec [1] 2006	Dec 2005	Nov 2006	Dec [1] 2006
	1990-92=100			1910-14=100		
Prices Paid [1]	143	146	148	1898	1946	1966
Feed	118	140	151	576	681	738
Fertilizer	185	166	165	690	617	614
Fuels	221	205	209	1705	1581	1614
Chemicals	126	130	130	737	761	764
Lvstk/Poultry	143	123	123	1830	1572	1577
Ratio [2]	80	82	82			
Parity Ratio [3]				38	39	39

[1] Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. [2] Received/Paid [3] Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

Milk Production

Milk production in Iowa in November totaled 330 million pounds, up 1.2 percent from November 2005. The average number of milk cows, 200,000 head, was 1,000 head higher than November 2005. Production per cow averaged 1,650 pounds, up 10 pounds from one year ago.

Milk Cows and Production: By Selected States, November 2005-2006

State	Milk Cows [1]		Milk Per Cow [2]		Milk Production [2]		
	2005	2006	2005	2006	2005	2006	'06 as % of '05
	1,000 Head	*1,000 Head*	*Pounds*	*Pounds*	*Million Pounds*	*Million Pounds*	*Percent*
IL	104	103	1,480	1,510	154	156	1.3
IN	157	166	1,650	1,610	259	267	3.1
IA	199	200	1,640	1,650	326	330	1.2
KS	112	112	1,650	1,680	185	188	1.6
MI	312	323	1,745	1,790	544	578	6.3
MN	445	450	1,455	1,490	647	671	3.7
MO	114	115	1,280	1,250	146	144	-1.4
OH	271	274	1,410	1,440	382	395	3.4
WI	1,238	1,247	1,480	1,495	1,832	1,864	1.7
23-State Total [3]	8,167	8,248	1,592	1,616	13,002	13,328	2.5

[1] Includes dry cows, excludes heifers not yet fresh. [2] Excludes milk sucked by calves. [3] The 23 States are Arizona, California, Colorado, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, New Mexico, New York, Ohio, Oregon, Pennsylvania, Texas, Vermont, Virginia, Washington, and Wisconsin.

Egg Production up Five Percent

Egg production in Iowa for November 2006 was 1.15 billion eggs, up 5 percent from the same period a year ago. The total number of layers on hand during November 2006 was 51.9 million, up 5 percent from 49.5 million layers in November 2005. Eggs per 100 layers for the month of November was 2,209, up from 2,204 eggs the previous year.

All Layers and Egg Production, November 2005 and 2006 [1]

State	Table Egg Layers in Flocks 30,000 & Above		All layers on hand [2]		Eggs per 100 layers		Egg production by type					
							Total production		Table eggs [3]		Hatching eggs [3]	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
	Thousands	*Thousands*	*Thousands*	*Thousands*	*Number*	*Number*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*
IN	23,631	23,913	24,323	24,621	2,228	2,222	542	547	530	535	12	12
IA	48,793	51,119	49,501	51,878	2,204	2,209	1,091	1,146				
MN	10,690	10,708	11,193	11,179	2,260	2,192	253	245	245	237	8	8
NE	11,856	11,543	11,931	11,618	2,146	2,238	256	260	256	260		
OH	28,006	26,842	28,544	27,351	2,169	2,132	619	583				
29 Sts[4]	265,910	267,805	321,565	322,086	2,173	2,178	6,987	7,015	6,052	6,103	935	912
US	282,406	283,434	345,874	345,696	2,172	2,176	7,514	7,522	6,459	6,489	1,055	1,033

[1] 2006 preliminary, 2005 revised [2] Includes all layers and eggs produced in both table egg and hatching egg flocks regardless of size [3] Data by type of flock not shown for some states to avoid disclosing individual operations [4] The 29 states are those listed as well as AL, CO, CT, FL, HI, IL, ME, MD, MI, MS, MO, NY, OR, SC, SD, VA, WA, and WI.

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