Agri-News

USDA – National Agricultural Statistical Service
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Issued September 9, 2009 Vol 09-14

Cattle on Feed

Iowa: There were 1,210,000 cattle on feed for the slaughter market in all feedlots in Iowa on August 1, 2009, down 3 percent from July 1, 2009**,** but up 5 percent from August 1, 2008. Feedlots with a capacity greater than 1,000 head had 510,000 head on feed, down 2 percent from last month but up 7 percent from last year. Feedlots with a capacity less than 1,000 head had 700,000 head on feed, down 3 percent from last month but up 3 percent from last year.

Placements during July totaled 125,000 head, unchanged from last month but down 4 percent from last year. Feedlots with a capacity greater than 1,000 head placed 61,000 head, up 3 percent from last month and up 20 percent from last year. Feedlots with a capacity less than 1,000 head placed 64,000 head. This is down 3 percent from last month and down 19 percent from last year.

Marketings for July were 155,000 head, down 1 percent from last month and down 4 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 70,000 head, up 4 percent from last month but down 7 percent from last year. Feedlots with a capacity less than 1,000 head marketed 85,000 head, down 6 percent from last month and 2 percent from last year. Other disappearance totaled 5,000 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 9.6 million head on August 1, 2009. The inventory was 2 percent below August 1, 2008.

Placements in feedlots during July totaled 1.86 million, 13 percent above 2008. Net placements were 1.82 million head. During July, placements of cattle and calves weighing less than 600 pounds were 455,000, 600-699 pounds were 365,000, 700-799 pounds were 458,000, and 800 pounds and greater were 585,000.

Marketings of fed cattle during July totaled 1.93 million, 5 percent below 2008. This is the third lowest marketings for the month of July since the series began in 1996.

Other disappearance totaled 43,000 during July, 4 percent below 2008. This is the lowest other disappearance for the month of July since the series began in 1996.

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, July 1, 2009	520	725	1,245
July Placements	61	64	125
July Marketings	70	85	155
July Other Disappearance	1	4	5
Cattle on Feed, August 1, 2009	510	700	1,210

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

State	Cattle on Feed August 1			Placements during July			Marketings during July			July Disappearance other than Slaughter[2]		
	2008	2009	'09 as % of '08	2008	2009	'09 as % of '08	2008	2009	'09 as % of '08	2008	2009	'09 as % of '08
	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*
AZ	357	275	77	37	25	68	35	36	103	1	1	100
CA	515	450	87	45	45	100	48	53	110	2	2	100
CO	750	850	113	110	125	114	175	180	103	5	5	100
ID	180	195	108	29	33	114	48	37	77	1	1	100
IA	**475**	**510**	**107**	**51**	**61**	**120**	**75**	**70**	**93**	**1**	**1**	**100**
KS	2,010	1,920	96	430	480	112	490	470	96	10	10	100
NE	1,920	1,920	100	320	410	128	440	400	91	10	10	100
NM	164	86	52	32	13	41	21	18	86	1	3	300
OK	290	310	107	46	69	150	55	52	95	1	2	200
SD	170	190	112	21	29	138	35	43	123	1	1	100
TX	2,590	2,510	97	460	495	108	520	470	90	10	5	50
WA	133	138	104	32	33	103	38	40	105	1	1	100
Oth Sts	315	290	92	43	45	105	57	59	104	1	1	100
US	9,869	9,644	98	1,656	1,863	113	2,037	1,928	95	45	43	96

[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.

Farm Production Expenditures, Iowa, 2007-2008
Farms Reporting, Average per Farm, and Total

Expenditure - Farm Share	Farms Reporting[1]		Average per Farm[2]		Total Expenditures	
	2007	2008	2007	2008	2007	2008
	Percent		*Dollars*		*Million Dollars*	
Total Farm Production Expenditures[3]	100.0	100.0	209,267	241,577	19,420	22,370
Livestock, Poultry & Related Expenses[4]	29.4	23.7	32,112	32,289	2,980	2,990
Feed	40.7	40.2	31,358	39,633	2,910	3,670
Farm Services[5]	91.2	94.1	20,582	20,734	1,910	1,920
Rent[6]	45.5	41.6	25,754	29,914	2,390	2,770
Agricultural Chemicals[7]	64.7	59.1	7,651	8,855	710	820
Fertilizer, Lime & Soil Conditioners[7]	63.7	59.6	14,440	20,194	1,340	1,870
Interest	56.2	55.2	9,267	9,719	860	900
Taxes (Real Estate & Property)	100.0	99.9	7,543	7,235	700	670
Labor	32.8	27.7	7,220	7,235	670	670
Fuels	75.7	76.7	8,082	10,367	750	960
Farm Supplies & Repairs[8]	74.8	75.2	9,375	9,287	870	860
Farm Improvements & Construction[9]	59.3	60.4	9,375	12,527	870	1,160
Tractors & Self-Propelled Farm Machinery	34.8	36.6	7,651	9,503	710	880
Other Farm Machinery	34.0	38.7	3,879	6,263	360	580
Seeds & Plants[10]	62.3	61.3	12,392	14,579	1,150	1,350
Trucks & Autos	33.0	36.4	2,478	3,132	230	290
Miscellaneous Capital Expenses[11]	29.9	24.2	108	108	10	10

[1] Number of farms reporting item divided by total number of farms. [2] Total expenditures divided by total number of farms. Items may not sum to total due to rounding. [3] Includes landlord and contractor share of farm production expenses. Totals may not add due to rounding. [4] Includes purchases and leasing of livestock and poultry. Edit procedures have been upgraded over the last three years to better identify cattle farm records where not all livestock are owned. These 'custom feeding' operations are now correctly recorded as production contracts, resulting in increased livestock purchases for contractors. [5] Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general and miscellaneous business expenses, and utilities. [6] Includes public and private grazing fees. [7] Includes material and application costs. [8] Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. [9] Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. [10] Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. [11] A zero in this line-item denotes less than 5 million dollars. Average value derived from expenditure rounding to zero will also be zero. Miscellaneous Capital Expense was estimated for the first time in 2005.

ECONOMIST CORNER

By Shane Ellis, Livestock Economist, and Chad Hart, Grain Marketing Specialist, Iowa Cooperative Extension Service – Ames

Despite the tighter supply of fed cattle, prices remain in a summer doldrums with no perceivable price improvement in the past three months. Beef prices have been a mixed bag so far this year. The choice select spread has been relatively unchanged for the past year, while the premium paid for prime beef over choice is half what it was a year ago. Consumer demand for fed beef cuts has tracked very closely with the public's general perception of the economy. While there has been some improvement in prime cutout values the demand for well finished beef remains extremely weak. Usually with such a dramatic decline in supply there is a considerable increase in price, however the decline in demand has been more than enough to offset any price gains. If supplies were not declining prices would be even lower than they currently are.

For the pork industry it is a little different story. Several economists, lenders and others have suggested that cutting a half a million sows from production is necessary to return the US pork industry to profitability. Ultimately, the US pork industry will need more demand, lower feed costs or lower supplies to be profitable. Long term supplies are impacted by sow numbers, but in the short run there are things that packers and finishers can do to help reduce supplies. Packers must be able to sell the product and run their plants efficiently. However, for the long run sustainability of the industry they should consider removing the incentive for heavy carcasses at least in the short run.

The August USDA crop report showed U.S. corn harvested area for 2009 at 80 million acres. The projection for the national average corn yield is up to 159.5 bushels per acre, up 6.1 bushels from last month and up 5.6 bushels from last year. That brings projected corn production up to 12.76 billion bushels, putting the 2009 crop on pace to be the 2nd largest ever. Soybean planted area shifted to 77.7 million acres and harvested area projected at 76.8 million. Projected national soybean yields came in at 41.7 bushels per acre, down 0.9 bushels from last month but up 2.1 bushels from last year. The delay in soybean development, especially in the Eastern Corn Belt, is the main reason for the lowered yield expectation. Projected production is at 3.199 billion bushels, if realized that would be the 4th largest soybean crop on record. For Iowa, projected yields are 185 bushels per acre for corn and 52 bushels per acre for soybeans. The corn yield would be a record, while the soybean yield would be a half a bushel behind the 2005 record. If the projections hold, soybean production in the state would top 505 million bushels, 3rd highest on record. Corn production would come in at 2.47 billion bushels, 90 million bushels more than the 2007 record

Both corn and soybeans have nearly 70 percent of the crop currently rated good to excellent. These ratings have improved in late August and are 6 to 8 percent above last year. For Iowa, the crop ratings are even higher with 79 percent of each crop rated good to excellent, 14 to 16 percent better than last year.

Based on the futures prices at the close of business on August 28th, the market is indicating 2009/10 season-average prices of $3.10 per bushel for corn and $9.60 per bushel for soybeans. The pricing in the market is bearish on corn and bullish on soybeans, in comparison to the latest USDA price estimates. The tight soybean stocks have held the soybean market in an inverted position for some time now, with the nearby Sept. contract maintaining at least a $1 per bushel premium on the new-crop Nov. contract. But that inversion is being maintained for the 2009 crop as well with no carry in the market across the 2009 marketing year. The July 2010 futures are 11 cents under November; the Sept. 2010 futures are 45 cents under November. Concerns about the weather, advance export strength, and another round of strikes by Argentine farmers are helping support prices. Demand seemed to be rebuilding, but over the short term, larger than anticipated supplies are weighing down on the market.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA			U.S.	
		Aug [1] 2008	Jul [1] 2009	Aug [2] 2009	Jul [1] 2009	Aug [2] 2009
		--------------Dollars--------------				
Corn	Bu	5.34	3.65	3.20	3.60	3.31
Oats	Bu	3.33	1.89	1.80	2.03	1.85
Soybeans	Bu	12.60	10.90	10.60	10.80	10.70
Alfalfa, baled	Ton	140.00	108.00	105.00	120.00	111.00
All Hay, baled	Ton	135.00	104.00	103.00	116.00	109.00
Hogs, all	Cwt	60.10	44.00	40.50	43.20	39.70
Sows	Cwt	41.50	28.80	34.00	28.30	33.20
Brw & Gilts	Cwt	60.50	44.30	40.60	43.90	40.00
Beef Cattle	Cwt	97.20	82.30	82.30	81.10	80.30
Cows	Cwt	58.50	49.50	48.50	47.40	46.70
Strs & Hfrs	Cwt	98.00	83.00	83.00	85.30	84.60
Calves	Cwt	118.00	107.00	111.00	110.00	110.00
Milk Cows [3]	Hd	-	1,300.00	-	1,280.00	-
Milk (whls)	Cwt	18.50	11.60	11.80	11.30	11.80
Sheep	Cwt	25.00	30.00	-	29.50	-
Lambs	Cwt	99.00	104.00	-	101.00	-
Eggs (mkt)	Doz	0.776	0.486	0.550	0.519	0.579

[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.

Prices Received Index Summary Table

Prices Received	IOWA			UNITED STATES		
	Aug 2008	Jul 2009	Aug [1] 2009	Aug 2008	Jul 2009	Aug [1] 2009
	1990-92=100 [2]					
Prices rec'd	181	138	129	156	132	127
Crops	232	174	160	177	153	147
Oil Bearing	226	196	190	228	192	190
Feed Grains	236	162	142	227	156	147
Lvstk	130	97	94	137	112	109
Meat Anim	126	97	93	130	107	105
Poult & Eggs	158	99	112	151	145	132
	1910-14=100 [3]					
Prices rec'd	-	-	-	991	836	803
Crops	-	-	-	879	756	727
Oil Bearing	-	-	-	1,248	1,055	1,043
Feed Grains	-	-	-	808	558	523
Lvstk	-	-	-	1,053	860	833
Meat Anim	-	-	-	1,325	1,088	1,071
Poult & Eggs	-	-	-	423	407	372

[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	Aug 2008	Jul 2009	Aug 2009	Aug 2008	Jul 2009	Aug 2009
	1990-92=100			1910-14=100		
Prices Paid [1]	191	177	177	2,544	2,356	2,353
Feed	215	190	184	1,048	928	898
Fertilizer	469	276	272	1,718	1,010	995
Fuels	393	230	241	3,036	1,778	1,859
Chemicals	141	145	153	871	896	943
Lvstk/Poultry	128	113	112	1,639	1,442	1,428
Ratio [2]	82	75	72	-	-	-
Parity Ratio [3]	-	-	-	39	35	34

[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 July 2009 totaled 374 million pounds, up 5 percent from July 2008. The average number of milk cows, 215,000 head, was unchanged from July 2008. Production per cow averaged 1,740 pounds, up from 1,660 pounds in July 2008.

Milk Cows and Production: By Selected States, July 2008-2009

State	Milk Cows [1]		Milk Per Cow [2]		Milk Production [2]		
	2008	2009	2008	2009	2008	2009	Change from 2008
	1,000 Head	*1,000 Head*	*Pounds*	*Pounds*	*Million Pounds*	*Million Pounds*	*Percent*
IL	102	102	1,520	1,580	155	161	3.9
IN	166	168	1,650	1,695	274	285	4.0
IA	**215**	**215**	**1,660**	**1,740**	**357**	**374**	**4.8**
KS	117	117	1,725	1,735	202	203	0.5
MI	352	358	1,900	1,955	669	700	4.6
MN	465	469	1,595	1,675	742	786	5.9
MO	111	108	1,170	1,195	130	129	-0.8
OH	281	278	1,550	1,590	436	442	1.4
WI	1,252	1,257	1,670	1,760	2,091	2,212	5.8
23-State Total [3]	8,515	8,400	1,744	1,769	14,848	14,858	0.1

[1] Includes dry cows, excludes heifers not yet fresh. [2] Excludes milk sucked by calves. [3] As of February 2009, the 23 States are Arizona, California, Colorado, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, New Mexico, New York, Ohio, Oregon, Pennsylvania, Texas, Utah, Vermont, Virginia, Washington, and Wisconsin.

Egg Production

Egg production in Iowa for July 2009 was 1.23 billion eggs, down from 1.24 billion in July 2008. The total number of layers on hand during July 2009 was 53.5 million, up from 53.3 million layers in July 2008. Eggs per 100 layers for the month of July was 2,292, down from 2,323 eggs the previous year.

All Layers and Egg Production, July 2008 and 2009 [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]	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
	Thousands	*Thousands*	*Thousands*	*Thousands*	*Number*	*Number*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*
IN	23,193	22,237	23,896	22,962	2,327	2,317	556	532	544	519	12	13
IA	**52,380**	**52,648**	**53,304**	**53,496**	**2,323**	**2,292**	**1,238**	**1,226**	**1,223**	**1,213**	**15**	**13**
MN	9,341	9,578	9,811	10,079	2,334	2,252	229	227	220	218	9	9
NE	9,368	9,558	9,418	9,608	2,410	2,456	227	236	227	236	0	0
NC	4,723	5,362	12,213	12,516	2,063	2,117	252	265	118	134	134	131
OH	25,986	25,656	26,436	26,114	2,342	2,328	619	608				
29 Sts[4]	258,560	257,391	312,910	309,604	2,266	2,286	7,090	7,078	6,109	6,135	981	943
US	273,256	271,953	336,276	332,602	2,260	2,281	7,599	7,586	6,474	6,505	1,125	1,081

[1] 2009 preliminary, 2008 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 AL, AR, CA, CO, CT, FL, GA, HI, IN, IL, IA, ME, MD, MN, MI, MS, MO, NE, NY, NC, OH, OR, PA, SC, SD, TX, VA, WA, and WI.

AGRI NEWS IS PUBLISHED BY USDA NATIONAL AGRICULTURAL STATISTICS SERVICE IOWA FIELS OFFICE, 210 WALNUT ST. RM 833, DES MOINES IA 50309. POSTMASTER: SEND ADDRESS CHANGES TO AGRI-NEWS, C/O SD AGRICULTURAL STATISTICS, PO BOX 5068 SIOUX FALLS, SD 57117.

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