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October 1 Cattle on Feed

Iowa: There were 664,000 cattle on feed for the slaughter market in all feedlots in Iowa on October 1, 2008, up 1 percent from September 1, 2008, but down 14 percent from October 1, 2007. Feedlots with a capacity greater than 1,000 head had 475,000 head on feed, up 1 percent from last month but down 7 percent from last year. Feedlots with a capacity less than 1,000 head had 189,000 head on feed, down 1 percent from last month and down 29 percent from last year.

Placements during September totaled 111,000 head, up 22 percent from last month but down 18 percent from last year. Feedlots with a capacity greater than 1,000 head placed 81,000 head, up 58 percent from last month but down 17 percent from last year. Feedlots with a capacity less than 1,000 head placed 30,000 head. This is up 6 percent from last month but down 17 percent from last year.

Marketings for September were 105,000 head, down 5 percent from last month and down 3 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 75,000 head, unchanged from last month but down 5 percent from last year. Feedlots with a capacity less than 1,000 head marketed 30,000 head, down 14 percent from last month but up 3 percent from last year. Other disappearance totaled 2,000 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 10.4 million head on October 1, 2008. The inventory was 5 percent below October 1, 2007 and 9 percent below October 1, 2006. The inventory included 6.51 million steers and steer calves, down 5 percent from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 3.85 million head, down 5 percent from 2007.

Placements in feedlots during September totaled 2.28 million, 6 percent below 2007 but 2 percent above 2006. Net placements were 2.23 million head. During September, placements of cattle and calves weighing less than 600 pounds were 445,000, 600-699 pounds were 415,000, 700-799 pounds were 541,000 and 800 pounds and greater were 880,000.

Marketings of fed cattle during September totaled 1.81 million, 7 percent above 2007 and 3 percent above 2006.

Other disappearance totaled 51,000 during September, 6 percent below 2007 and 25 percent below 2006.

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, September 1, 2008	470	190	660
September Placements	81	30	111
September Marketings	75	30	105
September Other Disappearance	1	1	2
Cattle on Feed, October 1, 2008	475	189	664

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

State	Cattle on Feed October 1			Placements during September			Marketings during September			September Disappearance other than Slaughter [2]		
	2007	2008	'08 as % of '07	2007	2008	'08 as % of '07	2007	2008	'08 as % of '07	2007	2008	'08 as % of '07
	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	350	360	103	28	24	86	24	25	104	2	1	50
CA	540	505	94	60	55	92	47	53	113	3	2	67
CO	940	870	93	255	255	100	160	150	94	5	5	100
ID	210	195	93	48	57	119	41	41	100	2	1	50
IA	**510**	**475**	**93**	**100**	**81**	**81**	**79**	**75**	**95**	**1**	**1**	**100**
KS	2,310	2,160	94	540	485	90	355	400	113	15	15	100
NE	2,140	2,110	99	540	550	102	320	390	122	10	10	100
NM	133	173	130	17	27	159	13	20	154	2	1	50
OK	325	315	97	72	60	83	56	49	88	1	1	100
SD	180	175	97	43	56	130	37	44	119	1	2	200
TX	2,840	2,590	91	590	510	86	480	490	102	10	10	100
WA	154	157	102	36	44	122	29	24	83	1	1	100
Oth Sts	335	330	99	86	77	90	55	51	93	1	1	100
US	10,967	10,415	95	2,415	2,281	94	1,696	1,812	107	54	51	94

[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.

Cattle on Feed: Number on Feed by Class, 1000+ Capacity Feedlots by Quarter, State, and United States, 2007-2008

State	Steers & Steer Calves			Heifers & Heifer Calves			Cows & Bulls		
	October 1, 2007	July 1, 2008	October 1, 2008	October 1, 2007	July 1, 2008	October 1, 2008	October 1, 2007	July 1, 2008	October 1, 2008
	1,000 Head	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*
AZ	349	354	359	1	2	1	0	0	0
CA	490	470	455	50	50	50	0	0	0
CO	575	485	515	360	330	350	5	5	5
ID	114	112	101	91	86	89	5	2	5
IA	**350**	**335**	**345**	**159**	**165**	**130**	**1**	**0**	**0**
KS	1,220	1,135	1,225	1,065	940	920	25	5	15
NE	1,280	1,270	1,200	850	775	900	10	5	10
NM	82	78	77	51	76	96	0	0	0
OK	220	190	225	105	110	90	0	0	0
SD	87	93	82	80	75	78	13	17	15
TX	1,740	1,600	1,590	1,097	1,059	998	3	1	2
WA	80	65	84	73	74	72	1	1	1
Oth Sts	245	245	255	88	81	74	2	4	1
US	6,832	6,432	6,513	4,070	3,823	3,848	65	40	54

ECONOMIST CORNER

By Shane Ellis, Livestock Economist, and Chad Hart, Grain Marketing Specialist,
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There has been substantial weakness in the cattle and hog markets since August. The cattle futures prices have sustained a substantial drop since the middle of the summer. There has been about a $23 drop in December live fed cattle, and a $16 drop in feeder cattle prices. The price spread between fed and feeder cattle narrowed with the general drop in cattle prices during September until corn prices started to decline in early October. That cattle price spread has since widened on the hopes of cheaper corn.

High supplies have continued to depress the hog market. Hog slaughter has matched and even surpassed the record high levels of last year. In the last week of October, hog slaughter was at 2.39 million head, up 70,000 from the same month in the year previous. December lean hog futures prices have had a dramatic decline of $20 since mid August. There are indications that the markets could recover if feed costs continue to decline and the general economy begins to recover, but profitability is not expected to return to most livestock feeding sectors until the summer of next year.

The recent updates USDA released for both the World Ag. Supply and Demand Estimates and Crop Production reports provided some slightly bullish news to the markets as the updates indicated less acreage going to corn and soybean production than originally estimated. For corn, the update moves projected production back to 12 billion bushels and puts 2008 ending stocks at just under 1.1 billion bushels. The soybean update removed 1.1 million acres from estimated production, bringing projected back to the level estimated in September. Soybean 2008 ending stocks are targeted at 205 million bushels, down 15 million bushels. These updates tightened an already tight situation for both crops. The recent events in the financial crisis have had significant ramifications across all physical commodity markets, including corn and soybeans. But the tight stocks situation should spur a strong competition for acreage this spring, along with higher prices. Export demand has so far held together despite the financial crisis, and feed demand has been assisted by the lower crop prices. Biofuel demand, especially corn for ethanol, is projected to continue its steep climb, with estimates pointing to 4 billion bushels of corn being converted to ethanol over the 2008 crop year. Looking forward to 2009, over 4.1 billion bushels of corn will need to head to the ethanol industry to meet the Renewable Fuels Standard targets for conventional biofuels.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Oct [1] 2007	IOWA Sep [1] 2008	IOWA Oct [2] 2008	U.S. Sep [1] 2008	U.S. Oct [2] 2008
		Dollars				
Corn	Bu	3.25	5.18	4.20	5.02	3.99
Oats	Bu	2.61	3.72	3.30	3.29	2.71
Soybeans	Bu	8.36	11.10	9.60	10.70	8.66
Alfalfa, baled	Ton	99.00	136.00	142.00	176.00	172.00
All Hay, baled	Ton	96.00	130.00	133.00	161.00	157.00
Hogs, all	Cwt	43.90	52.00	49.90	52.70	50.70
Sows	Cwt	26.00	50.00	48.00	50.10	48.40
Brw & Gilts	Cwt	44.50	52.00	50.00	52.80	50.80
Beef Cattle	Cwt	90.40	96.00	91.00	99.30	93.80
Cows	Cwt	47.90	54.50	49.50	54.50	49.20
Strs & Hfrs	Cwt	89.60	95.20	90.20	94.40	88.60
Calves	Cwt	116.00	113.00	104.00	113.00	108.00
Milk Cows [3]	Hd	1,970.00	-	1,940.00	-	1,920.00
Milk (whls)	Cwt	21.30	18.00	17.00	18.20	17.60
Sheep	Cwt	31.50	25.50	-	23.80	-
Lambs	Cwt	96.00	99.00	-	99.60	-
Eggs (mkt)	Doz	0.753	0.810	0.830	0.856	0.889

[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 Oct 2007	IOWA Sep 2008	IOWA Oct [1] 2008	UNITED STATES Oct 2007	UNITED STATES Sep 2008	UNITED STATES Oct [1] 2008
	1990-92=100 [2]					
Prices rec'd	128	168	147	141	154	145
Crops	146	217	181	149	174	157
Oil Bearing	150	199	172	144	177	153
Feed Grains	144	229	187	148	219	177
Lvstk	110	120	115	131	133	128
Meat Anim	101	115	109	118	124	118
Poult & Eggs	156	164	169	134	149	149
	1910-14=100 [3]					
Prices rec'd	-	-	-	896	980	919
Crops	-	-	-	734	856	773
Oil Bearing	-	-	-	786	967	838
Feed Grains	-	-	-	530	782	633
Lvstk	-	-	-	1,003	1,023	984
Meat Anim	-	-	-	1,201	1,264	1,199
Poult & Eggs	-	-	-	377	418	418

[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	Oct 2007	Sep 2008	Oct 2008	Oct 2007	Sep 2008	Oct 2008
	1990-92=100			1910-14=100		
Prices Paid [1]	163	191	188	2,175	2,539	2,500
Feed	151	201	192	736	982	939
Fertilizer	228	468	469	837	1,716	1,720
Fuels	283	368	324	2,186	2,841	2,501
Chemicals	130	146	146	803	904	902
Lvstk/Poultry	133	125	118	1,697	1,593	1,504
Ratio [2]	86	81	77	-	-	-
Parity Ratio [3]	-	-	-	41	39	37

[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.

Iowa Milk Production

Iowa: Milk production in Iowa in September 2008 totaled 350 million pounds, up 2.9 percent from September 2007. The average number of milk cows, 215,000 head, was unchanged from September 2007. Production per cow averaged 1,630 pounds, up 50 pounds from last year.

Milk Cows and Production: By Selected States, September 2007-2008

State	Milk Cows [1]		Milk Per Cow [2]		Milk Production [2]		
	2007	2008	2007	2008	2007	2008	Change from 2007
	1,000 Head	*1,000 Head*	*Pounds*	*Pounds*	*Million Pounds*	*Million Pounds*	*Percent*
IL	103	102	1,440	1,425	148	145	-2.0
IN	166	166	1,635	1,550	271	257	-5.2
IA	**215**	**215**	**1,580**	**1,630**	**340**	**350**	**2.9**
KS	108	114	1,610	1,670	174	190	9.2
MI	339	350	1,830	1,770	620	620	
MN	463	465	1,485	1,500	688	698	1.5
MO	109	111	1,140	1,100	124	122	-1.6
OH	277	278	1,425	1,450	395	403	2.0
WI	1,248	1,253	1,575	1,585	1,966	1,986	1.0
23-State Total [3]	8,341	8,459	1,645	1,652	13,718	13,976	1.9

[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

Iowa: Egg production in Iowa for September 2008 was 1.2 billion eggs, virtually unchanged from September 2007. The total number of layers on hand during September 2008 was 53.2 million, up from 52.3 million layers in September 2007. Eggs per 100 layers for the month of September was 2,208, down from 2,222 eggs the previous year.

All Layers and Egg Production, September 2007 and 2008 [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]	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	Thousands	*Thousands*	*Thousands*	*Thousands*	*Number*	*Number*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*
IN	24,055	23,093	24,722	23,791	2,205	2,215	545	527	533	515	12	12
IA	51,405	52,270	52,346	53,214	2,222	2,208	1,163	1,175	1,148	1,159	15	16
MN	9,870	9,271	10,334	9,726	2,235	2,313	231	225	223	217	8	8
NE	10,526	9,697	10,601	9,772	2,302	2,425	244	237	244	237	0	0
NC	4,731	4,840	12,324	12,060	2,053	2,015	253	243	113	114	140	129
OH	25,479	25,424	26,055	26,021	2,226	2,275	580	592				
29 Sts[4]	261,526	257,978	317,669	312,020	2,168	2,197	6,886	6,854	5,919	5,922	967	932
US	276,651	272,424	340,984	334,374	2,168	2,194	7,393	7,336	6,296	6,281	1,097	1,055

[1] 2008 preliminary, 2007 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.

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