Agri-News

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Cattle on Feed

Iowa: There were 682,000 cattle on feed for the slaughter market in all feedlots in Iowa on November 1, 2008, up 3 percent from October 1, 2008, but down 16 percent from November 1, 2007. Feedlots with a capacity greater than 1,000 head had 485,000 head on feed, up 2 percent from last month but down 12 percent from last year. Feedlots with a capacity less than 1,000 head had 197,000 head on feed, up 4 percent from last month but down 26 percent from last year.

Placements during October totaled 139,000 head, up 25 percent from last month but down 19 percent from last year. Feedlots with a capacity greater than 1,000 head placed 104,000 head, up 28 percent from last month but down 13 percent from last year. Feedlots with a capacity less than 1,000 head placed 35,000 head. This is up 6 percent from last month but down 33 percent from last year.

Marketings for October were 119,000 head, up 13 percent from last month but down 8 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 93,000 head, up 24 percent from last month and up 18 percent from last year. Feedlots with a capacity less than 1,000 head marketed 26,000 head, down 13 percent from last month and 48 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 11.0 million head on November 1, 2008. The inventory was 7 percent below November 1, 2007 and 8 percent below November 1, 2006.

Placements in feedlots during October totaled 2.44 million, 11 percent below 2007 but slightly above 2006. Net placements were 2.37 million head. During October, placements of cattle and calves weighing less than 600 pounds were 700,000, 600-699 pounds were 615,000, 700-799 pounds were 543,000, and 800 pounds and greater were 580,000.

Marketings of fed cattle during October totaled 1.81 million, 3 percent below 2007 but 3 percent above 2006.

Other disappearance totaled 67,000 during October, 43 percent above 2007 but 17 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, October 1, 2008	475	189	664
October Placements	104	35	139
October Marketings	93	26	119
October Other Disappearance	1	1	2
Cattle on Feed, November 1, 2008	485	197	682

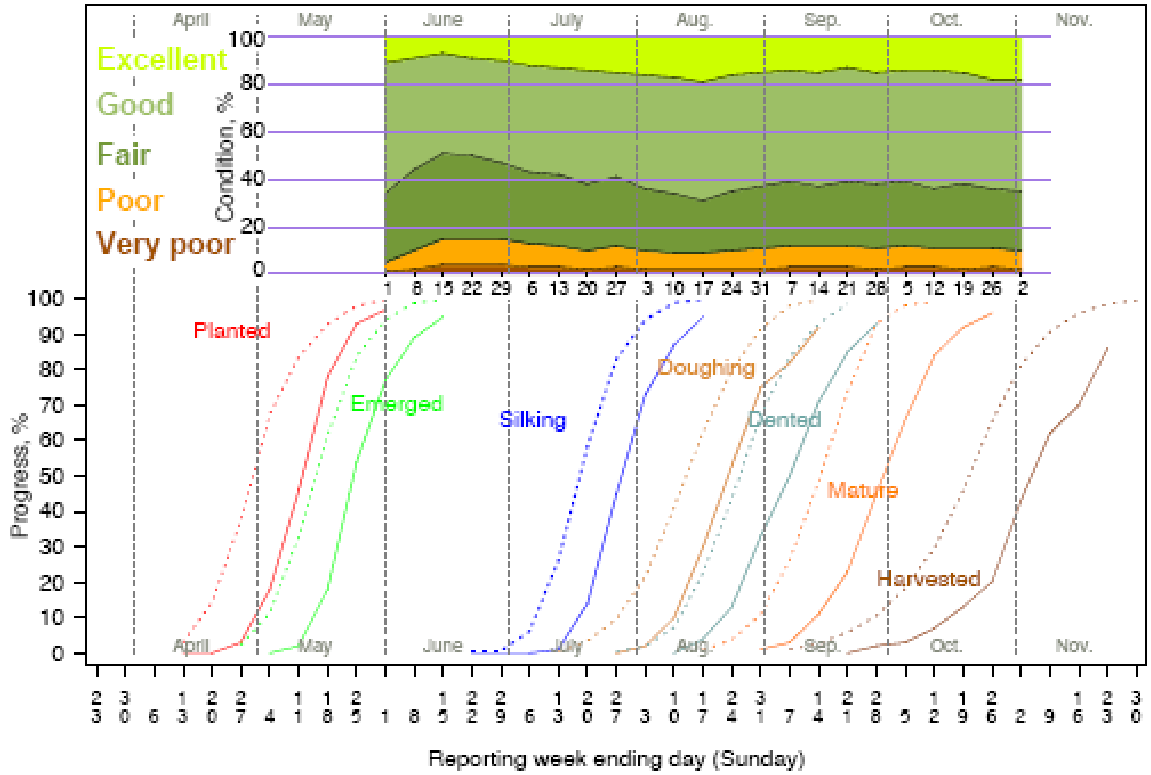
Cattle on Feed: Number on Feed, Placements and Marketings by Month, 1,000+ Capacity Feedlots [1]

State	Cattle on Feed November 1			Placements during October			Marketings during October			October 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	360	362	101	39	31	79	27	28	104	2	1	50
CA	545	500	92	67	54	81	60	57	95	2	2	100
CO	1,030	960	93	260	245	94	165	150	91	5	5	100
ID	235	210	89	69	55	80	43	39	91	1	1	100
IA	**550**	**485**	**88**	**120**	**104**	**87**	**79**	**93**	**118**	**1**	**1**	**100**
KS	2,420	2,230	92	530	450	85	410	360	88	10	20	200
NE	2,400	2,310	96	620	590	95	350	375	107	10	15	150
NM	143	172	120	31	17	55	19	17	89	2	1	50
OK	335	320	96	74	75	101	63	68	108	1	2	200
SD	205	200	98	71	70	99	45	43	96	1	2	200
TX	3,000	2,710	90	700	630	90	530	495	93	10	15	150
WA	166	163	98	42	38	90	29	31	107	1	1	100
Oth Sts	380	350	92	102	79	77	56	58	104	1	1	100
US	11,769	10,972	93	2,725	2,438	89	1,876	1,814	97	47	67	143

[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.

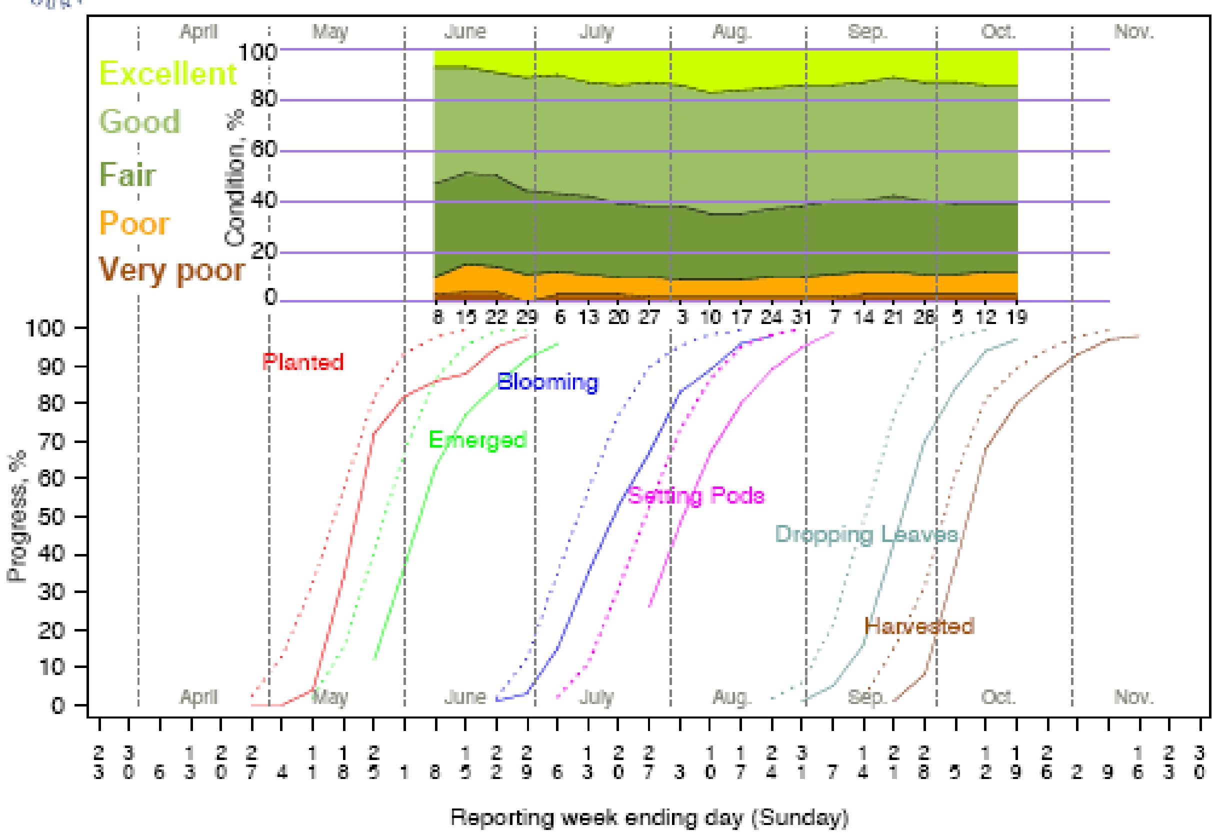
Crop Progress: Corn in Iowa, 2008

__________ 2008, _ _ _ _ _ 2003-2007 Average



Crop Progress: Soybeans in Iowa, 2008

__________ 2008, _ _ _ _ _ 2003-2007 Average



ECONOMIST CORNER

By Shane Ellis, Livestock Economist, and Chad Hart, Grain Marketing Specialist,
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Hog slaughter was anticipated to continue above 2007 levels through the end of the year. But, three of the four weeks ending November 15 posted a year-over-year decline in slaughter, two months ahead of schedule. While smaller pork supplies are supportive of near term hog prices, sow slaughter has also declined suggesting that herd liquidation may have stalled. Pork exports that were up 66% Jan-Sep of this year are expected to have slower growth in 2009 due to the global economic crisis and a resulting stronger US dollar. Hog prices have likely posted their seasonal low. The average seasonal increase from November to June is 25% suggesting lean hog prices over $65/cwt. June futures are over $80 at this writing.

Cattle slaughter through mid-November is higher than the same period in 2007 due largely to increased cow slaughter. Steer and heifer slaughter has been below the same week a year ago since the first of June and will continue lower through mid-year 2009, but cow slaughter is higher. Since July 1 dairy cow slaughter is up 5.9% and beef cow slaughter is up 21.4% indicating further herd liquidation. Beef supplies are forecast to post a year-over-year decline in the first and second quarters of 2009 suggesting higher prices. However, the current economic recession will limit demand and the price rally. Supply factors point to prices in the upper $90s or better, but unemployment rates, stimulus plans and consumer confidence will be driving factors for cattle prices and low $90s for spring may be more realistic.

The crop markets continue to work through several issues. On the production side, the corn and soybean crops withstood most of the weather-related problems to yield the 2nd largest corn crop and 4th largest soybean crop. Those supplies are coming online as demand continues to weaken. Feed demand has dropped with the consolidation of the livestock sector and the renewed competition from other feed grains, especially feed wheat. Concerns have been raised about biofuel demand as energy prices have fallen and the biofuel industry manages with extremely tight margins. Export demand has fallen off with the strengthening of the U.S. dollar against many of the world's currencies. But the overarching concern in the markets remains with the general weakness in the U.S. and world economies, pulling down demand and constraining credit on the production side. Projected crop stocks coming out of the 2008 marketing year look to be much tighter than usual. The lack of stocks allows for additional upside price potential if we face a production shortfall. Key agricultural figures to watch over the next month are the export reports from USDA and the crop progress reports from Argentina and Brazil. Looking out into 2009, biofuel quantities from the Renewable Fuels Standard will provide support for crop prices as the Standard calls for 11.1 billion gallons of biofuels. The tight stocks situation points to another strong competition for acreage. But as input costs have risen to catch revenues, this may be a competition to hold, as opposed to grow, acreage. Prices will likely strengthen a bit as we head into spring, but significant strengthening will not occur without a recovery of the general economy or production shortfall.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Nov [1] 2007	IOWA Oct [1] 2008	IOWA Nov [2] 2008	U.S. Oct [1] 2008	U.S. Nov [2] 2008
		---------------	Dollars	---------------		
Corn	Bu	3.43	4.47	3.90	4.37	3.94
Oats	Bu	2.82	3.34	3.25	3.25	2.37
Soybeans	Bu	9.87	10.40	9.50	9.94	9.20
Alfalfa, baled	Ton	103.00	142.00	130.00	172.00	163.00
All Hay, baled	Ton	102.00	133.00	127.00	157.00	147.00
Hogs, all	Cwt	40.30	48.90	41.90	48.60	41.40
Sows	Cwt	24.90	46.00	36.00	45.50	35.50
Brw & Gilts	Cwt	40.50	49.00	42.00	48.70	41.70
Beef Cattle	Cwt	90.60	88.20	89.10	87.90	87.20
Cows	Cwt	44.00	49.00	45.00	48.30	44.70
Strs & Hfrs	Cwt	91.60	89.00	90.00	93.00	93.00
Calves	Cwt	114.00	102.00	98.00	107.00	106.00
Milk Cows [3]	Hd	-	1,940.00	-	1,920.00	-
Milk (whls)	Cwt	21.80	18.00	17.50	17.70	17.40
Sheep	Cwt	33.50	25.00	-	21.80	-
Lambs	Cwt	95.00	98.00	-	97.50	-
Eggs (mkt)	Doz	1.140	0.830	0.843	0.889	0.894

[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 Nov 2007	IOWA Oct 2008	IOWA Nov [1] 2008	UNITED STATES Nov 2007	UNITED STATES Oct 2008	UNITED STATES Nov [1] 2008
			1990-92=100 [2]			
Prices rec'd	136	154	139	141	151	139
Crops	162	194	172	149	168	152
Oil Bearing	177	187	170	164	174	170
Feed Grains	152	198	173	154	193	174
Lvstk	111	114	106	134	127	125
Meat Anim	97	107	98	115	116	113
Poult & Eggs	234	169	171	147	149	147
			1910-14=100 [3]			
Prices rec'd	-	-	-	899	958	886
Crops	-	-	-	733	828	751
Oil Bearing	-	-	-	897	950	932
Feed Grains	-	-	-	550	689	622
Lvstk	-	-	-	1,026	978	959
Meat Anim	-	-	-	1,172	1,182	1,145
Poult & Eggs	-	-	-	414	418	414

[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	Nov 2007	Oct 2008	Nov 2008	Nov 2007	Oct 2008	Nov 2008
	1990-92=100			1910-14=100		
Prices Paid [1]	165	187	183	2,198	2,485	2,430
Feed	156	185	170	763	902	829
Fertilizer	233	459	450	854	1,681	1,648
Fuels	312	316	254	2,405	2,437	1,959
Chemicals	131	150	154	808	928	953
Lvstk/Poultry	130	118	120	1,661	1,509	1,534
Ratio [2]	85	81	76	-	-	-
Parity Ratio [3]	-	-	-	41	39	36

[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

Milk production in Iowa in October 2008 totaled 363 million pounds, up 3.7 percent from October 2007. The average number of milk cows, 215,000 head, was unchanged from October 2007. Production per cow averaged 1,690 pounds, up 60 pounds from last year.

Milk Cows and Production: By Selected States, October 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	1,490	1,490	153	152	-0.7
IN	166	166	1,685	1,625	280	270	-3.6
IA	**215**	**215**	**1,630**	**1,690**	**350**	**363**	**3.7**
KS	108	114	1,650	1,725	178	197	10.7
MI	341	352	1,860	1,810	634	637	0.5
MN	463	465	1,530	1,550	708	721	1.8
MO	109	110	1,190	1,180	130	130	
OH	277	278	1,470	1,490	407	414	1.7
WI	1,249	1,253	1,600	1,625	1,998	2,036	1.9
23-State Total [3]	8,355	8,460	1,697	1,700	14,176	14,382	1.5

[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

Egg production in Iowa for October 2008 was 1.2 billion eggs, up slightly from October 2007. The total number of layers on hand during October 2008 was 52.9 million, up from 52.7 million layers in October 2007. Eggs per 100 layers for the month of October was 2,331, up from 2,264 eggs the previous year.

All Layers and Egg Production, October 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	24,233	23,064	24,908	23,802	2,308	2,281	575	543	563	530	12	13
IA	51,751	51,948	52,686	52,897	2,264	2,331	1,193	1,233	1,177	1,216	16	17
MN	9,877	9,453	10,364	9,915	2,325	2,380	241	236	232	228	9	8
NE	10,254	9,495	10,329	9,570	2,372	2,445	245	234	245	234	0	0
NC	4,915	4,853	12,467	11,980	2,134	2,087	266	250	124	121	142	129
OH	25,612	25,979	26,204	26,567	2,274	2,326	596	618				
29 Sts[4]	263,041	258,743	319,351	312,370	2,256	2,280	7,205	7,125	6,206	6,172	999	953
US	278,222	273,101	342,637	334,560	2,255	2,276	7,726	7,613	6,594	6,538	1,132	1,075

[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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