Agri-News

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Iowa Cattle on Feed Numbers Down 5% from Last Year

Iowa: There were 872,000 cattle on feed for the slaughter market in all feedlots in Iowa on January 1, 2007, up 3 percent from December 1, 2006, but down 5 percent from January 1, 2006. Feedlots with a capacity greater than 1,000 head had 520,000 head on feed, up 4 percent from last month and up 2 percent from last year. Feedlots with a capacity less than 1,000 head had 352,000 head on feed, up 2 percent from last month, but down 14 percent from last year.

Placements during December totaled 142,000 head, a decrease of 4 percent from last month and 1 percent from last year. Feedlots with a capacity greater than 1,000 head placed 82,000 head, unchanged from last month but up 26 percent from last year. Feedlots with a capacity less than 1,000 head placed 60,000 head. This is down 9 percent from last month and down 23 percent from last year.

Marketings for December were 105,000 head, down 20 percent from last month but up 38 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 59,000 head, down 16 percent from last month but up 11 percent from last year. Feedlots with a capacity less than 1,000 head marketed 46,000 head, down 25 percent from last month, but up 100 percent from last year. Other disappearance totaled 9,000 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 January 1, 2007. The inventory was 1 percent above January 1, 2006 and 6 percent above January 1, 2005. This is the highest January 1 inventory since the series began in 1996. The inventory included 7.57 million steers and steer calves, up slightly from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 4.30 million head, up 4 percent from January 1, 2006.

Placements in feedlots during December totaled 1.71 million, 9 percent below 2005 and 7 percent below 2004. Net placements were 1.63 million. During December, placements of cattle and calves weighing less than 600 pounds were 470,000, 600-699 pounds were 504,000, 700-799 pounds were 420,000, and 800 pounds and greater were 320,000.

Marketings of fed cattle during December totaled 1.63 million, 5 percent below 2005 and 9 percent below 2004. This is the lowest fed cattle marketings for the month of December since the series began in 1996.

Other disappearance totaled 88,000 during December, 3 percent below 2005 and 4 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, December 1, 2006	500	344	844
December Placements	82	60	142
December Marketings	59	46	105
December Other Disappearance	3	6	9
Cattle on Feed, January 1, 2007	520	352	872

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

State	Cattle on Feed January 1			Placements during December			Marketings during December			December Disappearance other than Slaughter [2]		
	2006	2007	'07 as % of '06	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	**510**	**520**	**102**	**65**	**82**	**126**	**53**	**59**	**111**	**2**	**3**	**150**
KS	2,500	2,540	102	495	410	83	435	390	90	30	30	100
NE	2,430	2,540	105	350	390	111	305	350	115	15	10	67
SD	205	225	110	46	50	109	28	32	114	3	3	100
Oth Sts	335	365	109	46	50	109	43	43	100	3	2	67
US	11,804	11,974	101	1,884	1,714	91	1,715	1,625	95	91	88	97

[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.

2006 Annual Crop Summary

IOWA: Corn for grain production during 2006 is estimated at 2.05 billion bushels, up 1 percent from the November 1 forecast, but down 5 percent from 2005. Iowa's producers averaged 166 bushels per acre, up 3 bushels from the November 1 forecast, but 7 bushels per acre lower than last year. These are the third highest yield and production estimates on record. Area harvested for grain decreased 50,000 acres from the previous forecast to 12.35 million acres, 1 percent below 2005. Corn planted for all purposes in Iowa dropped 100,000 acres from the previous estimate to 12.6 million acres, down 1 percent from 2005.

Corn for silage production is estimated at 4.07 million tons, down 4 percent from 2005. The silage yield estimate of 18.5 tons per acre is equivalent to last year. Producers harvested 220,000 acres of corn for silage, 10,000 fewer acres harvested than in 2005.

Soybean production is estimated at 510 million bushels in 2006, up 7.55 million bushels from the November 1 forecast, but down 3 percent from 2005. Iowa's producers averaged 50.5 bushels per acre, up 0.5 bushel from the November 1 forecast, but 2 bushels less than last year's record yield of 52.5 bushels per acre. The 2006 yield ties 1994 for the second highest yield, while 2006 stands alone as the second highest production year on record. The harvested area estimate increased 50,000 acres from the previous forecast to 10.1 million acres, 1 percent above the 2005 estimate. The planted acreage of soybeans was revised up 50,000 acres from the previous estimate to 10.15 million acres, 2 percent above 2005.

All hay production for the state is estimated at 5.31 million tons, down 9 percent from the 5.86 million tons produced in 2005. Producers averaged 3.54 tons per acre. Harvested area for hay is estimated at 1.50 million acres, down 6 percent from the previous year.

Alfalfa and alfalfa mixtures production is estimated at 4.60 million tons, down 10 percent from 2005. Producers averaged 3.9 tons per acre. Harvested area decreased by 6 percent from last year to 1.18 million acres. Iowa producers seeded 130,000 acres of alfalfa in 2006, down from 150,000 acres the previous year.

Other hay production is estimated at 704,000 tons, 4 percent below the previous year's production. Producers averaged 2.2 tons per acre, up 5 percent from 2005. Harvested area of other hay decreased 30,000 acres from the previous year to 320,000 acres.

2006 Production Summary - Iowa and United States

Crop	For Harvest		Yield per acre		Production	
	2005	2006	2005	2006	2005	2006
	Thousand Acres	*Thousand Acres*	*Bushels*	*Bushels*	*Thousand Bushels*	*Thousand Bushels*
IOWA						
Oats for Grain	125	110	79.0	76.0	9,875	8,360
Wheat, All	15	18	50.0	66.0	750	1,188
Corn for Grain	12,500	12,350	173.0	166.0	2,162,500	2,050,100
Corn for Silage[1]	230	220	18.5	18.5	4,255	4,070
Soybeans	10,000	10,100	52.5	50.5	525,000	510,050
Hay, all[1]	1,600	1,500	3.66	3.54	5,860	5,306
Alfalfa Hay[1]	1,250	1,180	4.10	3.90	5,125	4,602
All Other Hay [1]	350	320	2.10	2.20	735	704
UNITED STATES						
Oats for Grain	1,823	1,576	63.0	59.5	114,878	93,764
Wheat, All	50,119	46,810	42.0	38.7	2,104,690	1,812,036
Winter	33,794	31,117	44.4	41.7	1,499,129	1,298,081
Corn for Grain	75,117	70,648	148.0	149.1	11,114,082	10,534,868
Corn for Silage[1]	5,930	6,477	18.0	16.2	106,486	104,849
Soybeans	71,251	74,602	43.0	42.7	3,063,237	3,188,247
Hay, all[1]	61,729	60,807	2.45	2.33	151,017	141,666
Alfalfa Hay[1]	22,439	21,384	3.39	3.35	76,149	71,666
All Other Hay [1]	39,260	39,423	1.91	1.78	74,868	70,000

[1] Yield in tons and production in thousand tons.

U.S. Corn Supply and Demand

CORN	2004-2005	2005-2006 (Est.)	2006-2007 [1] Projections January
	Million Bushels	*Million Bushels*	*Million Bushels*
Beginning Stocks	958	2,114	1,967
Production	11,807	11,114	10,535
Imports	11	9	10
Supply, total	12,776	13,237	12,512
Feed & Residual	6,158	6,141	5,975
Food, Seed & Industrial	2,686	2,981	3,535
Domestic, total	8,844	9,122	9,510
Exports	1,818	2,147	2,250
Use, total	10,662	11,270	11,760
Ending Stocks, total	2,114	1,967	752
Avg. farm price ($/bu)	2.06	2.00	3.00-3.40

[1] Preliminary

U.S. Soybean Supply and Demand

SOYBEANS	2004-2005	2005-2006 (Est.)	2006-2007 [1] Projections January
	Million Bushels	*Million Bushels*	*Million Bushels*
Beginning Stocks	112	256	449
Production	3,124	3,063	3,188
Imports	6	3	4
Supply, total	3,242	3,322	3,642
Crushings	1,696	1,739	1,780
Exports	1,097	947	1,120
Seed	88	93	91
Residual	104	94	75
Use, total	2,986	2,873	3,066
Ending stocks	256	449	575
Avg. farm price ($/bu)	5.74	5.66	5.75-6.45

[1] Preliminary

ECONOMIST CORNER

Livestock by John Lawrence and Grains by Robert Wisner
Iowa Cooperative Extension Service – Ames

Livestock: Fed cattle prices have weaken following the weather induced rally around the first of the year. Live prices that started the year near $90/cwt retreated to the mid-80s by the end of January. While moving lower seasonally, carcass weights are still at record levels for this time of the year and we entered 2007 with feedlot inventories slightly higher than in 2006. Historical seasonal patterns suggest that prices will remain relatively stable through the first 3-4 months of the year before moving lower. However, larger summer placements in 2006 and lower fall placements may change that trend. As a result, second quarter prices, while still lower than first quarter prices, may not decline as much as they have historically.

Barrow and gilt prices have started 2007 on a stronger note and ended January near $63/cwt carcass. Producers have responded to higher feed costs by marketing hogs at modestly lighter weights. Carcass weights are lower that the same period in 2006 and the smaller supply is supportive of price. The seasonal price pattern has been for prices to rally into mid-February, weaken into April and before moving to a summer high. Last year the summer peak occurred during the third week of June. This year's slaughter is expected to be 2 percent higher, but the lower weights will offset some of the supply increase. Look for hogs to post a summer high again in June and last year's $84 is a realistic goal.

Grains: Since mid-January, near-by corn futures have traded in about a 24 cent range per bushel along with a 25 cent range for soybeans. The need for sharply expanded corn acreage and cold weather that tends to increase feed demand provided slight upside potential, as did President Bush's State of the Union speech that encouraged increased ethanol use. Price strength was tempered by the recent sharp decline in ethanol prices and private planting intentions surveys showing the potential for sharply increased 2007 corn plantings. Corn and bean prices from now through March may move in a slightly wider trading range as grain traders try to determine whether enough corn will be planted with current prices, and whether feed and export demand will be rationed by current high prices. It would not be surprising to see July 2007 corn futures test the $4.50 per bushel level at least briefly.

The March 30 planting intentions and grain stocks reports will be extremely important indicators of price direction from early April into at least early summer. The USDA planting intentions survey will be much more extensive and scientific than that of the two recent private surveys. One private survey showed a prospective 7.6 million acre (9.7%) increase from last year in 2007 U.S. corn plantings. The other showed a potential 10.1 million acre (12.9%) increase in corn acres and a 6 million acre (7.9%) decrease in soybean plantings. The latter survey was based on responses from about 484 farmer respondents. Prospects for sharply reduced U.S. soybean plantings should support soybean prices for the next few months.

Cumulative U.S. corn export sales from last September 1 through January 25 were 27% above a year earlier. The sales total includes corn shipped out so far this season as well as sales not yet shipped out. Export inspections, which reflect export shipments, were up 18%. For the marketing year, USDA economists project U.S. corn exports to be up only 4.8% from last season. Some decrease in exports is quite possible from late spring through summer as new-crop Southern Hemisphere corn and Northern Hemisphere feed wheat supplies become available. However, it remains to be seen whether exports will drop enough to meet official projections. Expectations of further tightening of U.S. and global grain supplies next season would motivate producers of competing grains to store more than the usual amount of grain into the next season.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Jan [1] 2006	IOWA Dec [1] 2006	IOWA Jan [2] 2007	U.S. Dec [1] 2006	U.S. Jan [2] 2007
		---Dollars---				
Corn	Bu	1.87	3.03	3.15	3.01	3.23
Oats	Bu	1.93	2.02	1.95	1.97	2.12
Soybeans	Bu	5.71	6.26	6.35	6.18	6.42
Alfalfa, baled	Ton	85.00	91.00	92.00	112.00	115.00
All Hay, baled	Ton	81.00	89.00	88.00	108.00	112.00
All Hogs	Cwt	41.80	45.40	43.70	43.50	41.40
Sows	Cwt	33.60	32.80	31.30	32.20	30.70
Brw & Gilts	Cwt	42.00	45.50	44.00	44.00	42.00
Beef Cattle	Cwt	97.00	87.80	90.60	83.60	85.00
Cows	Cwt	49.40	44.20	44.90	42.20	43.80
Strs & Hfrs	Cwt	98.00	88.70	91.50	89.30	90.30
Calves	Cwt	132.00	107.00	105.00	115.00	115.00
Milk Cows [3]	Hd	1,750	-	1,660	-	1,660
Milk (whls)	Cwt	15.00	14.40	14.40	14.10	14.40
Sheep	Cwt	50.50	36.90	-	35.30	-
Lambs	Cwt	82.00	89.00	-	93.20	-
Eggs (mkt)	Doz	0.356	0.600	0.760	0.665	0.788

[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 Jan 2006	IOWA Dec 2006	IOWA Jan [1] 2007	UNITED STATES Jan 2006	UNITED STATES Dec 2006	UNITED STATES Jan [1] 2007
	1990-92=100 [2]					
Prices rec'd	104	118	124	113	121	124
Crops	92	125	129	108	128	132
Oil Bearing	102	112	114	105	110	115
Feed Grains	84	134	139	92	134	142
Lvstk	116	111	119	118	113	116
Meat Anim	121	113	115	122	109	110
Poult & Eggs	83	98	147	114	125	134
	1910-14=100 [3]					
Prices rec'd	-	-	-	717	768	788
Crops	-	-	-	535	632	650
Oil Bearing	-	-	-	573	603	628
Feed Grains	-	-	-	329	480	509
Lvstk	-	-	-	902	867	887
Meat Anim	-	-	-	1,237	1,113	1,122
Poult & Eggs	-	-	-	319	351	377

[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	Jan 2006	Dec 2006	Jan 2007	Jan 2006	Dec 2006	Jan 2007
	1990-92=100			1910-14=100		
Prices Paid [1]	148	150	152	1,967	1,995	2,022
Feed	122	146	154	594	715	754
Fertilizer	189	169	173	691	621	635
Fuels	221	226	218	1,704	1,742	1,685
Chemicals	127	129	128	783	798	793
Lvstk/Poultry	142	123	122	1,815	1,576	1,564
Ratio [2]	76	81	82	-	-	-
Parity Ratio [3]	-	-	-	36	38	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.

Iowa Milk Production up 2.6 Percent

Milk production in Iowa in December 2006 totaled 354 million pounds, up 2.6 percent from December 2005. The average number of milk cows, 205,000 head, was 5,000 head higher than December 2005. Production per cow averaged 1,725 pounds, the same as last year.

Milk Cows and Production: By Selected States, December 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	1,570	1,620	163	167	2.5
IN	158	166	1,715	1,690	271	281	3.7
IA	200	205	1,725	1,725	345	354	2.6
KS	111	111	1,730	1,750	192	194	1.0
MI	312	324	1,820	1,860	568	603	6.2
MN	445	455	1,545	1,575	688	717	4.2
MO	114	115	1,380	1,300	157	150	-4.5
OH	273	274	1,430	1,485	390	407	4.4
WI	1,239	1,247	1,550	1,570	1,920	1,958	2.0
23-State Total [3]	8,179	8,265	1,663	1,689	13,599	13,963	2.7

[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.

U.S. Egg Production Down Slightly

U.S. egg production totaled 7.78 billion during December 2006, down slightly from last year. Production included 6.68 billion table eggs, and 1.09 billion hatching eggs, of which 1.03 billion were broiler-type and 66 million were egg-type. The total number of layers during December 2006 averaged 348 million, down slightly from last year. December egg production per 100 layers was 2,234 eggs, down slightly from December 2005.

All Layers and Egg Production, December 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	23,836	23,933	24,523	24,676	2,308	2,278	566	562	554	549	12	13
IA	49,593	51,248	50,350	52,022	2,230	2,220	1,123	1,155				
MN	10,605	10,659	11,090	11,135	2,317	2,290	257	255	248	247	9	8
NE	11,853	11,460	11,928	11,535	2,222	2,315	265	267	265	267		
OH	28,678	27,017	29,217	27,544	2,303	2,305	673	635				
29 Sts[4]	268,298	268,978	324,050	324,421	2,235	2,237	7,242	7,257	6,277	6,288	965	969
US	284,843	284,653	348,545	348,108	2,235	2,234	7,791	7,777	6,703	6,683	1,088	1,094

[1] 2007 preliminary, 2006 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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