



Agri-News

USDA – National Agricultural Statistical Service
Iowa Field Office

210 Walnut, Room 833 • Des Moines, Iowa 50309-2195
515-284-4340 • 1-800-772-0825 • FAX 515-284-4342 • nass-ia@nass.usda.gov
To access NASS reports - <http://www.usda.gov/nass/>

Issued August 7, 2009

Vol 09-12

Cattle on Feed

Iowa: There were 1,245,000 cattle on feed for the slaughter market in all feedlots in Iowa on July 1, 2009, down 3 percent from June 1, 2009, but up 5 percent from July 1, 2008. Feedlots with a capacity greater than 1,000 head had 520,000 head on feed, down 2 percent from last month but up 2 percent from last year. Feedlots with a capacity less than 1,000 head had 725,000 head on feed, down 4 percent from last month but up 5 percent from last year.

Placements during June totaled 125,000 head, up 15 percent from last month and 18 percent from last year. Feedlots with a capacity greater than 1,000 head placed 59,000 head, down 2 percent from last month but up 44 percent from last year. Feedlots with a capacity less than 1,000 head placed 66,000 head. This is up 35 percent from last month and 2 percent from last year.

Marketings for June were 157,000 head, up 8 percent from last month and 5 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 67,000 head, down 1 percent from last month but up 12 percent from last year. Feedlots with a capacity less than 1,000 head marketed 90,000 head, up 17 percent from last month and 1 percent from last year. Other disappearance totaled 8,000 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 9.8 million head on July 1, 2009. The inventory was 5 percent below July 1, 2008. The inventory included 5.99 million steers and steer calves, down 7 percent from the previous year. This group accounted for 61 percent of the total inventory. Heifers and heifer calves accounted for 3.72 million head, down 3 percent from 2008.

Placements in feedlots during June totaled 1.39 million, 8 percent below 2008. Net placements were 1.33 million head. During June, placements of cattle and calves weighing less than 600 pounds were 315,000, 600-699 pounds were 290,000, 700-799 pounds were 371,000 and 800 pounds and greater were 415,000. This is the second lowest placements for the month of June since the series began in 1996.

Marketings of fed cattle during June totaled 1.99 million, 1 percent above 2008. This is the second lowest fed cattle marketings for the month of June since the series began in 1996.

Other disappearance totaled 57,000 during June, 5 percent below 2008.

All Cattle on Feed, Iowa

Item	Lots 1,000+ Head	Lots Less than 1,000 Head	All Lots
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>
Cattle on Feed, June 1, 2009	530	755	1,285
June Placements	59	66	125
June Marketings	67	90	157
June Other Disappearance	2	6	8
Cattle on Feed, July 1, 2009	520	725	1,245

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

State	Cattle on Feed July 1			Placements during June			Marketings during June			June 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
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>
AZ	356	287	81	32	21	66	40	34	85	1	1	100
CA	520	460	88	52	43	83	55	51	93	2	2	100
CO	820	910	111	85	125	147	175	190	109	10	5	50
ID	200	200	100	33	32	97	47	36	77	1	1	100
IA	500	520	104	41	59	144	60	67	112	1	2	200
KS	2,080	1,920	92	330	305	92	430	455	106	10	10	100
NE	2,050	1,920	94	290	270	93	475	440	93	15	20	133
NM	154	94	61	32	17	53	27	27	100	1	1	100
OK	300	295	98	57	44	77	61	58	95	1	1	100
SD	185	205	111	21	25	119	38	39	103	3	1	33
TX	2,660	2,490	94	460	380	83	480	490	102	10	10	100
WA	140	146	104	28	30	107	32	39	122	1	1	100
Oth Sts	330	305	92	57	40	70	58	63	109	4	2	50
US	10,295	9,752	95	1,518	1,391	92	1,978	1,989	101	60	57	95

¹Cattle 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, 2008-2009**

State	Steers & Steer Calves			Heifers & Heifer Calves			Cows & Bulls		
	July 1, 2008	April 1, 2009	July 1, 2009	July 1, 2008	April 1, 2009	July 1, 2009	July 1, 2008	April 1, 2009	July 1, 2009
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>
AZ	354	329	286	2	1	1	0	0	0
CA	470	400	410	50	45	50	0	0	0
CO	485	670	615	330	365	290	5	5	5
ID	112	103	105	86	97	94	2	10	1
IA	335	380*	365	165	150*	155	0	0	0
KS	1,135	1,190	970	940	1,085	945	5	5	5
NE	1,270	1,400	1,130	775	910	785	5	10	5
NM	78	72	58	76	65	36	0	0	0
OK	190	190	173	110	140	122	0	0	0
SD	93	125	105	75	85	80	17	15	20
TX	1,600	1,780	1,500	1,059	1,028	989	1	2	1
WA	65	90	80	74	69	65	1	1	1
Oth Sts	245	255	195	81	87	107	4	3	3
US	6,432	6,984*	5,992	3,823	4,127*	3,719	40	51	41

*Revised

All Sheep and Lambs: Number by Class, United States, July, 2008-2009

Class	United States		
	2008	2009	2009 as % of 2008
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>
All Sheep and Lambs	7,270	7,050	97
Total Breeding Sheep	4,400	4,280	97
Ewes	3,590	3,470	97
Rams	180	180	100
Replacement Lambs	630	630	100
Total Market	2,870	2,770	97
	2008	2009	2009 as % of 2008
Lamb Crop	3,710	3,700	100

ECONOMIST CORNER

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

The relationship between supply and price is not as predictable as it once was. In half of the last 20 quarters prices and supplies moved in the same direction. Not what we would expect and a clear indication that demand changes are important to price. The old rule-of-thumb was that for each 1 percent change in supply, price would change approximately 3 percent in the opposite direction. For example, second quarter 2009 prices averaged \$45/cwt; then with a 1, 3 and 5 percent reduction in supply we would forecast prices to be \$1.35 (3 percent), \$4.05 (9 percent) and \$6.75 (15 percent) higher, respectively for the second quarter of 2010. The sector needs a 15 percent price increase, a 5 percent supply reduction, just to reach a breakeven price. Supplies must come in line with the higher cost structure and, at least currently, the weaker demand. Some producers have already cut production or announced their intentions, but the announced reductions of a few will not lead to profitability for the industry. Inelastic demand for hogs will provide a larger percentage increase in price for a given reduction in supply, all else equal. The productivity of the industry requires a significant cut in farrowings to achieve the supply response needed to return to profitable prices.

Mid year cattle inventories from the July cattle report reflected the continued shrinking of the cattle industry. All Cattle numbers are down 2 percent. Beef cow numbers are down 1 percent, and dairy cows are down 2 percent. These inventory numbers were expected based on beginning of the year inventories and recent slaughter levels. The next question to ask is when will we see the reduction stop? Beef heifer retention is down 2 percent, while dairy heifer numbers are steady with a year ago. On the beef side, the cow herd is not likely to actually increase for at least the next three years. Fed cattle supplies will continue to remain tight as feedlots remain low, down 5 percent for the month of July. With fewer fed cattle available, packers are working harder to buy cattle, while at the same time weak beef demand has made the beef harder to sell. Calf prices this fall will be down from last year. While the prospects of a 2nd largest corn crop and cheaper feed would usually drive up demand for feeder cattle, fed cattle prices have not been strong enough to encourage any run up in calf prices. Cattle feeders are still smarting from losses experienced in the past year and do not seem to be in a big hurry to fill up feedlots. Texas feedlots inventories are down 6 percent from last year, and Kansas and Nebraska feedlots are down 8 and 6 percent respectively. Iowa and Colorado inventories are actually up from last year, but nationally all cattle on feed numbers are down 5 percent.

Currently, corn production is projected at over 12 billion bushels and soybean production is targeted at nearly 3.3 billion bushels. But crop conditions have been improving over the summer, with the crop ratings both for the U.S. and Iowa exceeding last year. For the nation at this time last year, 66 percent of the corn crop and 62 percent of the soybean crop was rated good to excellent. This year, the percentages are at 70 percent for corn and 67 percent for soybeans. For Iowa, roughly 60 percent of the corn and soybean crops were rated good to excellent last year at the end of July. Now, roughly 80 percent of the crop are rated that highly. Given the improving crop conditions, there is significant anticipation that USDA will increase their yield projections in the August reports.

While demand has been weakening, the lower crop prices we are seeing could help spur a reversal in that trend. Lower corn and soybean prices imply lower production costs for livestock and biofuels and that can help the bottom line in those sectors. For corn, with the exception of a brief time last winter, prices haven't been this low since 2006. Both corn and soybeans have seen prices decline by roughly 25 percent over the past month. These price declines are providing buying opportunities for crop users. For example, the economics of ethanol are now looking a little better. While ethanol prices have also fallen, they have fallen at a slower rate (roughly 10 percent). This implies better ethanol margins and the potential for more corn demand through ethanol. Another factor moving in favor of the ethanol industry has been the relative pricing of ethanol versus gasoline. Since the beginning of the year, ethanol futures prices have been steady, while gasoline futures prices have increased by 75 percent. These price shifts have made ethanol blending more financially attractive and should lead to additional demand for ethanol and, by extension, corn.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA			U.S.	
		Jul ¹ 2008	Jun ¹ 2009	Jul ² 2009	Jun ¹ 2009	Jul ² 2009
-----Dollars-----						
Corn	Bu	5.24	4.09	3.30	4.03	3.33
Oats	Bu	3.59	3.34	2.10	2.44	2.20
Soybeans	Bu	13.00	11.40	10.20	11.40	10.30
Alfalfa, baled	Ton	148.00	117.00	108.00	128.00	120.00
All Hay, baled	Ton	143.00	114.00	104.00	123.00	116.00
Hogs, all	Cwt	54.70	43.90	44.70	43.30	43.40
Sows	Cwt	22.80	32.00	28.00	32.80	28.20
Brw & Gilts	Cwt	55.30	44.10	45.00	43.80	44.20
Beef Cattle	Cwt	97.20	82.80	82.40	80.40	81.40
Cows	Cwt	60.00	48.50	52.00	45.70	48.30
Strs & Hfirs	Cwt	98.00	83.50	83.00	85.00	85.70
Calves	Cwt	113.00	106.00	109.00	110.00	109.00
Milk Cows ³	Hd	2,010.00	-	1,300.00	-	1,280.00
Milk (whls)	Cwt	19.30	11.70	11.70	11.30	11.30
Sheep	Cwt	29.50	29.00	-	29.00	-
Lambs	Cwt	109.00	107.00	-	104.00	-
Eggs (mkt)	Doz	0.627	0.330	0.486	0.386	0.519

¹Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. ²All prices are mid-month. ³Prices published January, April, July, and October.

Prices Received Index Summary Table

Prices Received	IOWA			UNITED STATES		
	Jul 2008	Jun 2009	Jul ¹ 2009	Jul 2008	Jun 2009	Jul ¹ 2009
1990-92=100 ²						
Prices rec'd	178	142	129	159	134	130
Crops	233	186	161	183	161	149
Oil Bearing	233	206	183	239	203	184
Feed Grains	233	173	146	226	172	149
Lvstk	122	99	98	138	112	112
Meat Anim	119	99	99	126	106	107
Poult & Eggs	127	98	99	154	147	145
1910-14=100 ³						
Prices rec'd	-	-	-	1,012	853	824
Crops	-	-	-	906	796	736
Oil Bearing	-	-	-	1,308	1,113	1,008
Feed Grains	-	-	-	805	614	531
Lvstk	-	-	-	1,058	855	861
Meat Anim	-	-	-	1,285	1,082	1,092
Poult & Eggs	-	-	-	431	412	407

¹Preliminary ²1990-92=100 reference replaced 1997=100 in January 1995. ³Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Jul 2008	Jun 2009	Jul 2009	Jul 2008	Jun 2009	Jul 2009
	1990-92=100			1910-14=100		
Prices Paid ¹	2,539	2,360	2,343	191	177	176
Feed	1,058	962	968	217	197	198
Fertilizer	1,616	966	876	441	264	239
Fuels	3,310	1,830	1,769	429	237	229
Chemicals	868	844	768	140	136	124
Lvstk/Poultry	1,580	1,433	1,442	124	112	113
Ratio ²	40	36	35	-	-	-
Parity Ratio ³	-	-	-	83	76	74

¹Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. ²Received/Paid ³Ratio 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 June 2009 totaled 368 million pounds, up 2.5 percent from June 2008. The average number of milk cows, 215,000 head, was down from 216,000 head in June 2008. Production per cow averaged 1,710 pounds, up from 1,660 pounds in June 2008.

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

State	Milk Cows ¹		Milk Per Cow ²		Milk Production ²		
	2008	2009	2008	2009	2008	2009	Change from 2008
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Million Pounds</i>	<i>Million Pounds</i>	<i>Percent</i>
IL	102	102	1,565	1,570	160	160	
IN	166	168	1,650	1,655	274	278	1.5
IA	216	215	1,660	1,710	359	368	2.5
KS	116	118	1,680	1,735	195	205	5.1
MI	351	358	1,860	1,890	653	677	3.7
MN	463	469	1,585	1,620	734	760	3.5
MO	110	109	1,240	1,195	136	130	-4.4
OH	282	276	1,560	1,570	440	433	-1.6
WI	1,252	1,257	1,650	1,690	2,066	2,124	2.8
23-State Total ³	8,500	8,444	1,736	1,746	14,760	14,741	-0.1

¹Includes 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 June 2009 was 1.19 billion eggs, down from 1.20 in June 2008. The total number of layers on hand during June 2009 was 53.5 million, up from 53.4 million layers in June 2008. Eggs per 100 layers for the month of June was 2,215, down from 2,253 eggs the previous year.

All Layers and Egg Production, June 2008 and 2009 ¹

State	Table Egg Layers in Flocks 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
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Number</i>	<i>Number</i>	<i>Million eggs</i>	<i>Million eggs</i>	<i>Million eggs</i>	<i>Million eggs</i>	<i>Million eggs</i>	<i>Million eggs</i>
IN	23,540	22,305	24,230	23,006	2,245	2,308	544	531	532	518	12	13
IA	52,518	52,679	53,432	53,542	2,253	2,215	1,204	1,186	1,190	1,173	14	13
MN	9,516	9,506	10,006	10,024	2,259	2,205	226	221	217	212	9	9
NE	9,329	9,424	9,379	9,474	2,356	2,396	221	227	221	227	0	0
NC	4,878	5,394	12,425	12,609	1,988	2,086	247	263	114	135	133	128
OH	25,968	25,935	26,429	26,404	2,198	2,257	581	596				
29 Sts ⁴	259,994	257,025	315,349	310,061	2,181	2,211	6,877	6,854	5,912	5,930	965	924
US	274,639	271,774	338,664	333,197	2,175	2,204	7,367	7,343	6,262	6,285	1,104	1,058

¹2009 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.