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Cattle on Feed

Iowa: There were 725,000 cattle on feed for the slaughter market in all feedlots in Iowa on July 1, 2008, down 6 percent from June 1, 2008, and down 9 percent from July 1, 2007. Feedlots with a capacity greater than 1,000 head had 500,000 head on feed, down 4 percent from last month and down 2 percent from last year. Feedlots with a capacity less than 1,000 head had 225,000 head on feed, down 11 percent from last month and 23 percent from last year.

Placements during June totaled 49,000 head, a decrease of 36 percent from last month and 32 percent from last year. Feedlots with a capacity greater than 1,000 head placed 41,000 head, down 29 percent from last month and 21 percent from last year. Feedlots with a capacity less than 1,000 head placed 8,000 head. This is down 58 percent from last month and 60 percent from last year.

Marketings for June were 95,000 head, down 3 percent from last month but up 3 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 60,000 head, down 8 percent from last month and 2 percent from last year. Feedlots with a capacity less than 1,000 head marketed 35,000 head, up 6 percent from last month and up 13 percent from last year. Other disappearance totaled 3,000 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 10.3 million head on July 1, 2008. The inventory was 4 percent below July 1, 2007 and 5 percent below July 1, 2006. The inventory included 6.43 million steers and steer calves, down 5 percent from the previous year. This group accounted for 62 percent of the total inventory. Heifers and heifer calves accounted for 3.82 million head, down 3 percent from 2007.

Placements in feedlots during June totaled 1.51 million, 9 percent below 2007 and 22 percent below 2006. Net placements were 1.45 million head. During June, placements of cattle and calves weighing less than 600 pounds were 365,000, 600-699 pounds were 325,000, 700-799 pounds were 383,000 and 800 pounds and greater were 440,000. Marketings of fed cattle during June totaled 1.97 million, 8 percent below 2007 and 10 percent below 2006. This is the lowest fed cattle marketings for the month of June since the series began in 1996.

Other disappearance totaled 60,000 during June, 15 percent above 2007, but 5 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, June 1, 2008	520	254	774
June Placements	41	8	49
June Marketings	60	35	95
June Other Disappearance	1	2	3
Cattle on Feed, July 1, 2008	500	225	725

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]		
	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	343	356	104	39	32	82	35	40	114	1	1	100
CA	545	520	95	53	52	98	60	55	92	3	2	67
CO	940	820	87	120	80	67	190	170	89	10	10	100
ID	220	200	91	37	33	89	46	47	102	1	1	100
IA	**510**	**500**	**98**	**52**	**41**	**79**	**61**	**60**	**98**	**1**	**1**	**100**
KS	2,140	2,080	97	375	330	88	515	430	83	10	10	100
NE	2,050	2,050	100	330	290	88	560	475	85	10	15	150
NM	132	154	117	22	32	145	17	27	159	1	1	100
OK	325	300	92	52	57	110	66	61	92	1	1	100
SD	197	185	94	24	21	88	39	38	97	3	3	100
TX	2,870	2,660	93	485	460	95	475	480	101	10	10	100
WA	150	140	93	31	28	90	30	32	107	0	1	
Oth Sts	315	330	105	37	57	154	46	58	126	1	4	400
US	10,737	10,295	96	1,657	1,513	91	2,140	1,973	92	52	60	115

[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		
	July 1, 2007	April 1, 2008	July 1, 2008	July 1, 2007	April 1, 2008	July 1, 2008	July 1, 2007	April 1, 2008	July 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	342	371	354	1	3	2	0	0	0
CA	490	485	470	54	45	50	1	0	0
CO	590	600	485	345	415	330	5	5	5
ID	133	132	112	83	96	86	4	2	2
IA	**340**	**380**	**335**	**169**	**170**	**165**	**1**	**0**	**0**
KS	1,090	1,270	1,135	1,030	1,130	940	20	20	5
NE	1,230	1,550	1,270	810	890	775	10	10	5
NM	84	94	78	48	64	76	0	0	0
OK	225	220	190	100	120	110	0	0	0
SD	98	121	93	80	86	75	19	18	17
TX	1,780	1,790	1,600	1,087	1,087	1,059	3	3	1
WA	90	74	65	59	77	74	1	1	1
Oth Sts	250	260	245	62	93	81	3	2	4
US	6,742	7,347	6,432	3,928	4,276	3,823	67	61	40

July 1 Cattle Inventory Down Slightly

United States: All cattle and calves in the United States as of July 1, 2008, totaled 104.3 million head, slightly below the 104.8 million on July 1, 2007 and down 1 percent from the 105.2 million two years ago.

All cows and heifers that have calved, at 42.4 million, was down slightly from both July 1, 2007 and July 1, 2006. Beef cows, at 33.2 million, were down 1 percent from July 1, 2007 and 1 percent below two years ago. Milk cows, at 9.25 million, were up 1 percent from July 1, 2007 and 1 percent above two years ago. Other class estimates on July 1, 2008 and the changes from July 1, 2007, are as follows: all heifers 500 pounds and over, 16.5 million, down 1 percent; beef replacement heifers, 4.6 million, down 2 percent; milk replacement heifers, 3.9 million, unchanged; other heifers, 8.0 million, unchanged; steers weighing 500 pounds and over, 14.7 million, down 1 percent; bulls weighing 500 pounds and over, 2.1 million, unchanged; calves under 500 pounds, 28.6 million, down slightly; all cattle and calves on feed for slaughter, 11.7 million, down 5 percent.

The 2008 calf crop is expected to be 37.3 million, down slightly from 2007 and 1 percent below 2006. Calves born during the first half of the year are estimated at 27.1 million, down slightly from 2007 and 1 percent below 2006.

Cattle and Calves: Number by Class and Calf Crop, United States, July 1, 2007-2008

Class	United States		
	2007	2008	2008 as % of 2007
	1,000 Head	*1,000 Head*	*Percent*
All Cattle and Calves	104,800	104,300	100
Cows and Heifers That Have Calved	42,500	42,400	100
Beef Cows	33,350	33,150	99
Milk Cows	9,150	9,250	101
	2007	2008 [1]	2008 as % of 2007
Calf Crop	37,361	37,250	100

[1] Preliminary.

ECONOMIST CORNER

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Beef cattle numbers have continued to decline in 2008. Beef cows are down 0.6 percent, while dairy cattle inventories have increased 1.1 percent since a year ago. Beef heifer retention is down 2.1 percent and dairy heifer retention is unchanged from last year. The reduction in beef cattle numbers will continue for at least the next three years or longer as higher production costs and competition for resources squeeze cattle producers. Cattle on feed numbers are down 4 percent, June placements are down 9 percent and June marketings were down 8 percent. From these indicators finished beef supplies will be significantly tighter in the fall, and prices will be significantly higher. Futures fed cattle prices, which recently have been optimistically high, have dropped over $8/cwt in the past month on the October cattle contract but still remain well above $100/cwt. With the recent correction in predicted corn prices for the coming season, there is a possibility of cattle returning to profitability by the end of 2008 or early 2009.

Hog producers continue to face loses despite what would otherwise be considered extraordinary market prices. Even if fall corn prices are lower than previously expected, it may be early 2009 before there will be a significant return to profitability. Breakeven prices will likely remain in the low to mid-80’s for the duration of the year. While the high cost of feed has been stifling to the industry in general, feeder pig producers may be facing an even tighter pinch. Higher costs in both feed and production have combined with the reduced pig prices that finishers are willing to pay and pushed some breeders to change their production plans and/or liquidate sows now to restock with young gilts later in an effort to skip out of the periods of depressed prices.

The latest Crop Progress report gave the markets another indication that the corn and soybean crops are continuing to improve with fairly decent crop weather having prevailed since the flooding in June. Corn rated good to excellent in the 18 state region covered in the report increased for the sixth consecutive week, one of the longest such runs in recent history. The soybean crop has also improved since the floods. For corn, 9 of the 18 states and the overall average show improving crop conditions since June and since last week. Three states, Colorado, Kentucky, and South Dakota, have experienced declines in the corn crop. A similar story holds for soybeans in 7 states and the overall average show improvement and 4 states (Arkansas, Kentucky, Michigan, and Tennessee) have seen declines.

The improvements in the corn and soybean crops, along with the pullback in crude oil prices, have helped push prices back down to levels seen just before the spring flooding. However, the markets are still poised to head back to higher levels if weather conditions deteriorate, especially if hot and dry conditions are forecast for the upper Midwest. Over the next few weeks, the markets will continue to monitor the weather and the USDA Crop Progress and Production reports for signs of weakness in crop development. The export picture will bear watching too, as Argentina has suspended its export tax hikes that had been put in place over the last few months. Another looming issue will be the competition for acres in 2009. With December 2009 corn prices remaining above $6.00 per bushel and November 2009 soybean prices also above $13.50 per bushel, both crops are set up to compete strongly for area in 2009.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Jul [1] 2007	IOWA Jun [1] 2008	IOWA Jul [2] 2008	U.S. Jun [1] 2008	U.S. Jul [2] 2008
		---------------Dollars---------------				
Corn	Bu	3.29	5.41	5.60	5.48	5.61
Oats	Bu	2.57	3.33	3.25	3.49	3.57
Soybeans	Bu	7.48	13.10	14.30	13.20	14.20
Alfalfa, baled	Ton	109.00	148.00	148.00	172.00	177.00
All Hay, baled	Ton	106.00	145.00	143.00	161.00	164.00
Hogs, all	Cwt	53.70	53.60	53.60	53.30	52.50
Sows	Cwt	38.00	26.60	22.20	26.60	20.10
Brw & Gilts	Cwt	54.00	54.20	54.20	54.50	54.10
Beef Cattle	Cwt	86.30	93.30	96.10	92.00	95.70
Cows	Cwt	53.50	57.30	59.50	54.30	56.40
Strs & Hfrs	Cwt	87.00	94.00	96.80	96.40	100.00
Calves	Cwt	125.00	115.00	113.00	118.00	115.00
Milk Cows [3]	Hd	2,020.00	-	2,010.00	-	1,990.00
Milk (whls)	Cwt	21.30	19.20	20.00	19.30	19.40
Sheep	Cwt	35.00	25.50	-	24.80	-
Lambs	Cwt	102.00	105.00	-	102.00	-
Eggs (mkt)	Doz	0.769	0.882	0.627	0.927	0.668

[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 Jul 2007	IOWA Jun 2008	IOWA Jul [1] 2008	UNITED STATES Jul 2007	UNITED STATES Jun 2008	UNITED STATES Jul [1] 2008
	1990-92=100					
Prices rec'd	130	179	185	139	158	161
Crops	141	237	251	141	183	186
Oil Bearing	134	235	257	136	238	254
Feed Grains	146	239	247	154	231	236
Lvstk	120	122	121	137	137	138
Meat Anim	113	116	117	120	123	126
Poult & Eggs	159	179	127	148	154	154
	1910-14=100 [2]					
Prices rec'd	-	-	-	883	1,004	1,024
Crops	-	-	-	695	901	919
Oil Bearing	-	-	-	744	1,299	1,392
Feed Grains	-	-	-	550	826	843
Lvstk	-	-	-	1,053	1,049	1,059
Meat Anim	-	-	-	1,218	1,250	1,282
Poult & Eggs	-	-	-	416	434	432

[1] Preliminary [2] Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Jul 2007	Jun 2008	Jul 2008	Jul 2007	Jun 2008	Jul 2008
	1990-92=100			1910-14=100		
Prices Paid [1]	162	189	191	2,156	2,520	2,555
Feed	148	198	200	721	969	974
Fertilizer	223	406	454	819	1,489	1,665
Fuels	266	423	430	2,055	3,268	3,320
Chemicals	129	141	144	797	874	891
Lvstk/Poultry	134	124	123	1,716	1,583	1,573
Ratio [2]	86	84	84	-	-	-
Parity Ratio [3]	-	-	-	41	40	40

[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 June 2008 totalled 356 million pounds, 2 million pounds less than June 2007. The average number of milk cows, 216,000 head, was 2,000 head more than June 2007. Production per cow averaged 1,650 pounds, 25 pounds less than a year ago.

Milk Cows and Production: By Selected States, June 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	1,550	1,565	160	160	
IN	167	166	1,675	1,650	280	274	-2.1
IA	**214**	**216**	**1,675**	**1,650**	**358**	**356**	**-0.6**
KS	109	111	1,650	1,760	180	195	8.3
MI	334	348	1,905	1,840	636	640	0.6
MN	460	463	1,565	1,590	720	736	2.2
MO	112	110	1,240	1,240	139	136	-2.2
OH	276	282	1,550	1,580	428	446	4.2
WI	1,247	1,252	1,620	1,640	2,020	2,053	1.6
23-State Total [3]	8,302	8,460	1,712	1,737	14,216	14,697	3.4

[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 June 2008 was 1.2 billion eggs, up 4 percent from June 2007. The total number of layers on hand during June 2008 was 53.5 million, up from 52.2 million layers in June 2007. Eggs per 100 layers for the month of June was 2,253, up from 2,222 eggs the previous year.

All Layers and Egg Production, June 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	24,140	23,540	24,866	24,230	2,220	2,245	552	544	540	532	12	12
IA	51,258	52,571	52,170	53,485	2,222	2,253	1,159	1,205	1,144	1,191	15	14
MN	10,077	9,516	10,550	10,006	2,218	2,259	234	226	226	217	8	9
NE	10,818	9,329	10,893	9,404	2,176	2,350	237	221	237	221	0	0
NC	4,245	4,878	12,173	12,465	2,029	1,990	247	248	103	115	144	133
OH	25,118	25,968	25,704	26,579	2,233	2,197	574	584				
29 Sts[4]	259,792	259,301	316,852	315,850	2,171	2,180	6,880	6,886	5,899	5,917	982	969
US	275,048	273,879	340,237	338,538	2,169	2,176	7,380	7,366	6,268	6,270	1,113	1,095

[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.