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Cattle on Feed

Iowa: There were 660,000 cattle on feed for the slaughter market in all feedlots in Iowa on September 1, 2008, down 3 percent from August 1, 2008, and down 12 percent from September 1, 2007. Feedlots with a capacity greater than 1,000 head had 470,000 head on feed, down 1 percent from last month and 4 percent from last year. Feedlots with a capacity less than 1,000 head had 190,000 head on feed, down 9 percent from last month and down 27 percent from last year.

Placements during August totaled 91,000 head, up 32 percent from last month but down 10 percent from last year. Feedlots with a capacity greater than 1,000 head placed 72,000 head, up 41 percent from last month and up 1 percent from last year. Feedlots with a capacity less than 1,000 head placed 19,000 head. This is up 6 percent from last month but down 37 percent from last year.

Marketings for August were 110,000 head, up 2 percent from last month but down 8 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 75,000 head, unchanged from last month but down 6 percent from last year. Feedlots with a capacity less than 1,000 head marketed 35,000 head, up 6 percent from last month but down 13 percent from last year. Other disappearance totaled 4,000 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 10.0 million head on September 1, 2008. The inventory was 3 percent below September 1, 2007 and 9 percent below September 1, 2006.

Placements in feedlots during August totaled 2.06 million, 3 percent below 2007 and 10 percent below 2006. Net placements were 2.01 million head. This is the second lowest placements for the month of August since the series began in 1996. During August, placements of cattle and calves weighing less than 600 pounds were 365,000, 600-699 pounds were 410,000, 700-799 pounds were 566,000, and 800 pounds and greater were 720,000.

Marketings of fed cattle during August totaled 1.88 million, 9 percent below 2007 and 9 percent below 2006. This is the lowest fed cattle marketings for the month of August since the series began in 1996.

Other disappearance totaled 49,000 during August, 2 percent below 2007 and 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, August 1, 2008	475	208	683
August Placements	72	19	91
August Marketings	75	35	110
August Other Disappearance	2	2	4
Cattle on Feed, September 1, 2008	470	190	660

Hogs & Pigs Inventory

Iowa: On September 1, there were 19.8 million hogs and pigs on Iowa farms, a new record high. The September1 inventory was up 900,000 from a year ago.

The June - August 2008 pig crop was 4.79 million head. A total of 510,000 sows farrowed with an average litter size of 9.40 pigs per sow.

As of September 1, producers planned to farrow 510,000 head of sows and gilts in the September - November 2008 quarter. Farrowing intentions for the December 2008 – February 2009 period were estimated at 490,000 as of September 1, 2008.

United States: U.S. inventory of all hogs and pigs on September 1, 2008 was 68.7 million head. This was up 2 percent from September 1, 2007 and up 1 percent from June 1, 2008.

Breeding inventory, at 6.05 million head, was down 3 percent from last year and down 1 percent from the previous quarter. Market hog inventory, at 62.6 million head, was up 3 percent from last year and up 2 percent from last quarter.

The June-August 2008 pig crop, at 29.3 million head, was up 1 percent from 2007 and up 10 percent from 2006. Sows farrowing during this period totaled 3.08 million head, down 2 percent from 2007 but up 6 percent from 2006. The sows farrowed during this quarter represented 51 percent of the breeding herd. The average pigs saved per litter was 9.51 for the June-August 2008 period, compared to 9.29 last year. Pigs saved per litter by size of operation ranged from 7.80 for operations with 1-99 hogs and pigs to 9.60 for operations with more than 5,000 hogs and pigs.

U.S. hog producers intend to have 3.01 million sows farrow during the September-November 2008 quarter, down 5 percent from the actual farrowings during the same period in 2007, but up 2 percent from 2006. Intended farrowings for December 2008-February 2009, at 2.98 million sows, are down 3 percent from 2008 but up 3 percent from 2007.

The total number of hogs under contract owned by operations with over 5,000 head, but raised by contractees, accounted for 43 percent of the total U.S. hog inventory, up from 40 percent last year.

Hogs and Pigs: Breeding, Market, and Total Inventory By Selected States and United States, September 1, 2007-2008 [1]

State	Breeding			Market			Total		
	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*
IL	450	450	100	3,750	3,950	105	4,200	4,400	105
IA	**1,070**	**1,070**	**100**	**17,830**	**18,730**	**105**	**18,900**	**19,800**	**105**
MN	610	570	93	6,690	7,130	107	7,300	7,700	105
MO	385	365	95	2,765	2,835	103	3,150	3,200	102
NE	365	355	97	2,985	2,995	100	3,350	3,350	100
NC	1,030	1,000	97	9,370	9,300	99	10,400	10,300	99
US	6,209	6,049	97	61,069	62,607	103	67,279	68,657	102

[1] May not add due to rounding.

Market Hogs and Pigs: Inventory Number by Weight Group, Selected States, and United States, September 1, 2007-2008 [1]

State	Under 60 lbs.		60-119 lbs.		120-179 lbs.		180 lbs. and over	
	2007	2008	2007	2008	2007	2008	2007	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*
IL	1,400	1,410	930	1,020	800	860	620	660
IA	**5,790**	**5,550**	**4,910**	**5,140**	**4,030**	**4,550**	**3,100**	**3,490**
MN	2,680	2,790	1,710	1,830	1,300	1,490	1,000	1,020
MO	1,300	1,360	545	565	530	535	390	375
NE	1,150	1,080	810	800	590	660	435	455
NC	3,700	3,700	2,310	2,050	1,810	1,860	1,550	1,690
US	22,650	22,573	15,262	15,428	12,531	13,295	10,627	11,312

[1] Weight groups may not add to Market due to rounding.

ECONOMIST CORNER

By Shane Ellis, Livestock Economist, and
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The September Hog and Pig report indicates the swine industry has accelerated its reduction in production potential. The national herd is now at 68.7 million head, up 2 percent, the national breeding herd is down 2.6 percent, and the supply of market hogs is up 2.5 percent. Producers have been cutting back inventories and adjusting their farrowing plans in an attempt to improve the market prices and potentially preferable market timing. As evidenced by the difference between the reduction of sows and farrowing intentions in the coming months, there may be some discrepancies in the report created by adjustments in breeding and farrowing management plans. For example, Iowa's breeding herd was unchanged from a year ago, but Jun-Aug pig crop was up 7.4 percent and Sep-Nov farrowing intentions are down 5.6 percent. Although average production in the fourth quarter will be higher than last year, there will be a tapering down of hog supplies until December when slaughter levels will be very near those of last year. Production in 2009 will start out at levels similar to those of last year but will continue to decline throughout the year. There is a potential for pork production to decline by more than 5 percent in the summer months of next year.

The outlook for cattle and beef includes tighter supplies than last year and lower prices than previously expected. Nationally, cattle feedlot inventories were down 3 percent in September while Iowa's inventories were down 4 percent. Beef production in the next quarter is expected to be down 2.5 percent with continued lower production into the first half of 2009. Generally the beef market has shown a strong degree of sensitivity to the perceived state of the economy, and recent turbulence in the financial industry has spilled over into the cattle futures. The December live cattle futures price has fallen by almost $14/cwt since the first of July, while November feeder cattle futures have dropped by $10/cwt since the first of August. Lower fed cattle price combined with the expectation of corn prices above $5/bu has diminished anticipation of profitability in cattle feeding before the second quarter of next year. From the Iowa Estimated Returns, the return to steers marketed in September was a loss of $63 and $119 per head respectively for yearlings and calves finished.

Earlier in September, the U.S. Department of Agriculture released projections for the 2008 corn and soybean crops. These estimates were eagerly anticipated as they provided an updated snapshot of agricultural production. Given the late planting, the flooding earlier this summer, and the relatively cool summer, there has been a great deal of concern about this year's crop production. The September estimates show that the U.S. is still on pace to produce the 2nd largest corn and 4th largest soybean crops in the country's history. But there are signs of weakness in these estimates. The projected corn and soybean yields were lowered from August estimates. Both crops are still behind normal in progressing to maturity. And while recent weather has been favorable for crop development, there are concerns that it's "too little, too late." Frost is also a concern given the crops' late development, but given that harvest has begun in isolated spots around the state, that concern is fading.

The USDA projections include demand estimates, which show demand for both crops easing a bit over the next marketing year. For corn, ethanol usage will continue to increase, while corn exports will fall slightly and feed demand projections to back off by more than 10 percent. Overall, corn demand is expected to fall by 175 million bushels. For soybeans, domestic crushing demand is expected to be 30 million bushels less, while exports are projected to fall by 155 million bushels. However, the end result for both crops is a tighter stock situation. Coming out of the 2008 marketing year, we are projected to have just over 1 billion bushels of corn and 135 million bushels of soybeans. These ending stocks are well below historic averages, and the USDA estimates higher season-average prices for both corn and soybeans. For the 2007 marketing year, corn averaged $4.20 per bushel, while soybeans averaged $10.15. For the 2008 marketing year, those prices increase to $5.50 for corn and $12.35 for soybeans.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Sep 2007 [1]	IOWA Aug 2008 [1]	IOWA Sep 2008 [2]	U.S. Aug 2008 [1]	U.S. Sep 2008 [2]
		Dollars				
Corn	Bu	3.23	5.34	5.10	5.26	5.17
Oats	Bu	2.63	3.33	3.28	3.15	2.92
Soybeans	Bu	8.22	12.60	11.90	12.80	11.70
Alfalfa, baled	Ton	111.00	140.00	136.00	180.00	176.00
All Hay, baled	Ton	108.00	138.00	130.00	165.00	161.00
Hogs, all	Cwt	48.40	60.10	53.50	60.60	53.70
Sows	Cwt	37.00	41.50	50.50	40.30	50.40
Brw & Gilts	Cwt	48.50	60.50	53.50	61.60	53.90
Beef Cattle	Cwt	91.80	97.20	95.20	96.10	94.90
Cows	Cwt	51.40	58.50	56.50	57.40	56.00
Strs & Hfrs	Cwt	92.60	98.00	96.00	100.00	94.90
Calves	Cwt	128.00	118.00	116.00	116.00	116.00
Milk Cows [3]	Hd	-	-	-	-	-
Milk (whls)	Cwt	21.70	18.50	17.50	18.40	18.00
Sheep	Cwt	31.80	25.00	-	26.30	-
Lambs	Cwt	101.00	99.00	-	99.60	-
Eggs (mkt)	Doz	0.918	0.776	0.810	0.815	0.856

[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 Sep 2007	IOWA Aug 2008	IOWA Sep 2008 [1]	UNITED STATES Sep 2007	UNITED STATES Aug 2008	UNITED STATES Sep 2008 [1]
	1990-92=100 [2]					
Prices rec'd	131	180	170	140	156	154
Crops	145	232	220	142	177	174
Oil Bearing	148	226	214	131	228	189
Feed Grains	144	236	225	150	226	222
Lvstk	118	130	121	138	137	134
Meat Anim	108	126	117	121	130	125
Poult & Eggs	186	158	164	149	151	149
	1910-14=100 [3]					
Prices rec'd	-	-	-	890	992	981
Crops	-	-	-	702	874	856
Oil Bearing	-	-	-	718	1,245	1,032
Feed Grains	-	-	-	536	809	794
Lvstk	-	-	-	1,057	1,055	1,025
Meat Anim	-	-	-	1,232	1,325	1,276
Poult & Eggs	-	-	-	418	424	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	Sep 2007 (1990-92=100)	Aug 2008 (1990-92=100)	Sep 2008 (1990-92=100)	Sep 2007 (1910-14=100)	Aug 2008 (1910-14=100)	Sep 2008 (1910-14=100)
Prices Paid [1]	162	203	205	1,573	1,966	1,986
Feed	147	205	201	716	1,001	981
Fertilizer	223	467	516	816	1,713	1,892
Fuels	272	390	373	2,098	3,010	2,876
Chemicals	128	147	152	795	906	939
Lvstk/Poultry	135	128	127	1,731	1,635	1,625
Ratio [2]	86	81	79	-	-	-
Parity Ratio [3]	-	-	-	41	39	38

[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 August 2008 totalled 357 million pounds, 4 million pounds more than August 2007. The average number of milk cows, 215,000 head, was unchanged from August 2007. Production per cow averaged 1,660 pounds, 20 pounds more than a year ago.

Milk Cows and Production: By Selected States, August 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	1,480	1,455	152	148	-2.6
IN	166	166	1,670	1,605	277	266	-4.0
IA	**215**	**215**	**1,640**	**1,660**	**353**	**357**	**1.1**
KS	108	113	1,600	1,770	173	200	15.6
MI	338	348	1,915	1,840	647	640	-1.1
MN	463	465	1,555	1,560	720	725	0.7
MO	109	112	1,170	1,110	128	124	-3.1
OH	276	282	1,470	1,500	406	423	4.2
WI	1,248	1,252	1,645	1,655	2,053	2,072	0.9
23-State Total [3]	8,330	8,467	1,719	1,717	14,323	14,539	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 August 2008 was 1.2 billion eggs, virtually unchanged from August 2007. The total number of layers on hand during August 2008 was 53.3 million, up from 52.8 million layers in August 2007. Eggs per 100 layers for the month of August was 2,270, down from 2,292 eggs the previous year.

All Layers and Egg Production, August 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		Egg production by type: Table eggs [3]		Egg production by type: 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	23,888	22,886	24,543	23,560	2,257	2,292	554	540	542	528	12	12
IA	51,853	52,312	52,783	53,251	2,292	2,270	1,210	1,209	1,195	1,193	15	16
MN	10,026	9,276	10,493	9,737	2,240	2,331	235	227	227	219	8	8
NE	10,733	9,599	10,808	9,674	2,406	2,440	260	236	260	236	0	0
NC	4,550	4,861	12,204	12,303	2,081	2,105	254	259	110	123	144	136
OH	25,369	25,561	25,922	26,153	2,253	2,309	584	604				
29 Sts[4]	260,925	257,699	317,074	312,477	2,230	2,256	7,071	7,049	6,074	6,076	997	973
US	276,292	272,258	340,651	335,060	2,229	2,252	7,594	7,547	6,463	6,445	1,131	1,102

[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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