Agri-News

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August 1 Cattle on Feed

Iowa: There were 772,000 cattle on feed for the slaughter market in all feedlots in Iowa on August 1, 2007, down 4 percent from July 1, 2007, and virtually unchanged from August 1, 2006. Feedlots with a capacity greater than 1,000 head had 500,000 head on feed, down 2 percent from last month but up 12 percent from last year. Feedlots with a capacity less than 1,000 head had 272,000 head on feed, down 7 percent from last month, and down 17 percent from last year.

Placements during July totaled 87,000 head, an increase of 21 percent from last month and 7 percent from last year. Feedlots with a capacity greater than 1,000 head placed 64,000 head, up 23 percent from last month and 7 percent from last year. Feedlots with a capacity less than 1,000 head placed 23,000 head. This is up 15 percent from last month and 10 percent from last year.

Marketings for July were 113,000 head, up 23 percent from last month but down 7 percent from last year. Feedlots with a capacity greater than 1,000 head marketed 73,000 head, up 20 percent from last month and unchanged from last year. Feedlots with a capacity less than 1,000 head marketed 40,000 head, up 29 percent from last month, but down 17 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 August 1, 2007. The inventory was 5 percent below August 1, 2006 but 2 percent above August 1, 2005.

Placements in feedlots during July totaled 1.62 million, 17 percent below 2006 and 3 percent below 2005. Net placements were 1.56 million. This is the lowest placements for the month of July since the series began in 1996. During July, placements of cattle and calves weighing less than 600 pounds were 360,000, 600-699 pounds were 312,000, 700-799 pounds were 445,000, and 800 pounds and greater were 505,000.

Marketings of fed cattle during July totaled 2.0 million, 3 percent above 2006 and 4 percent above 2005.

Other disappearance totaled 61,000 during July, 5 percent above 2006 but unchanged from 2005.

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, July 1, 2007	510	291	801
July Placements	64	23	87
July Marketings	73	40	113
July Other Disappearance	1	2	3
Cattle on Feed, August 1, 2007	500	272	772

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

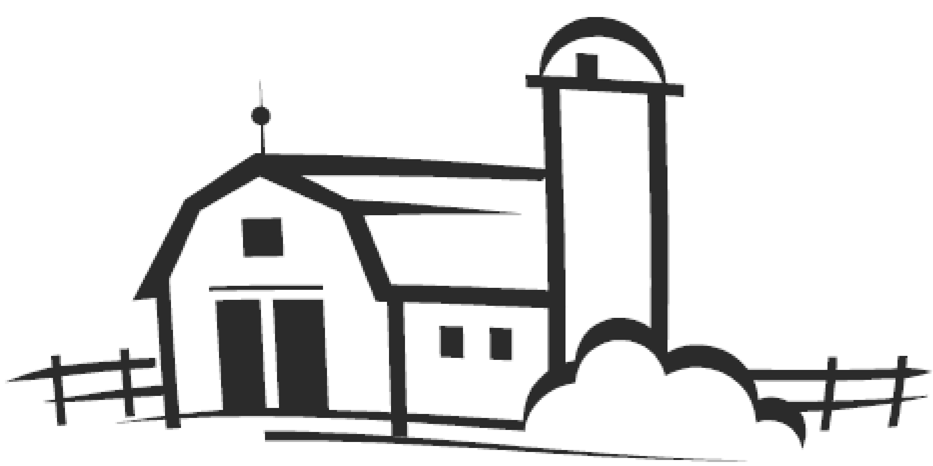
State	Cattle on Feed August 1			Placements during July			Marketings during July			July Disappearance other than Slaughter [2]		
	2006	2007	'07 as % of '06	2006	2007	'07 as % of '06	2006	2007	'07 as % of '06	2006	2007	'07 as % of '06
	1,000 Head	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*	*1,000 Head*	*1,000 Head*	*Percent*
AZ	339	341	101	31	32	103	34	33	97	2	1	50
CA	515	540	105	55	51	93	67	54	81	3	2	67
CO	940	870	93	145	115	79	175	175	100	10	10	100
ID	225	205	91	36	35	97	40	49	123	1	1	100
IA	**445**	**500**	**112**	**60**	**64**	**107**	**73**	**73**	**100**	**2**	**1**	**50**
KS	2,360	2,100	89	590	430	73	495	450	91	15	20	133
NE	1,950	1,910	98	380	350	92	410	480	117	10	10	100
NM	144	129	90	23	12	52	18	14	78	1	1	100
OK	345	305	88	58	48	83	52	67	129	1	1	100
SD	165	175	106	24	22	92	38	42	111	1	2	200
TX	2,970	2,780	94	480	390	81	480	470	98	10	10	100
WA	154	144	94	33	27	82	26	32	123	1	1	100
Oth Sts	270	300	111	43	46	107	42	60	143	1	1	100
US	10,822	10,299	95	1,958	1,622	83	1,950	1,999	103	58	61	105

[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.

Farm Production Expenditures, Iowa, 2005-06
Farms Reporting, Average per Farm, and Total

Expenditure - Farm Share	Farms Reporting[1]		Average per Farm[2]		Total Expenditures	
	2005	2006	2005	2006	2005	2006
	Percent		*Dollars*		*Million Dollars*	
Total Farm Production Expenditures[3]	100.0	100.0	163,596	164,898	14,560	14,610
Livestock, Poultry & Related Expenses[4]	24.1	30.6	23,596	24,605	2,100	2,180
Feed	41.6	49.6	23,258	23,476	2,070	2,080
Farm Services[5]	93.7	96.4	15,843	14,560	1,410	1,290
Rent[6]	46.6	49.3	23,258	24,718	2,070	2,190
Agricultural Chemicals[7]	64.1	61.9	6,517	6,095	580	540
Fertilizer, Lime & Soil Conditioners[7]	65.7	62.4	10,449	10,835	930	960
Interest	56.9	62.8	7,303	7,562	650	670
Taxes (Real Estate & Property)	100.0	100.0	6,404	6,885	570	610
Labor	30.6	33.9	5,169	5,079	460	450
Fuels	79.1	75.9	5,393	6,095	480	540
Farm Supplies & Repairs[8]	81.0	76.7	6,854	6,885	610	610
Farm Improvements & Construction[9]	65.0	55.8	7,528	7,449	670	660
Tractors & Self-Propelled Farm Machinery	36.6	30.7	6,292	5,643	560	500
Other Farm Machinery	40.3	35.6	3,820	2,822	340	250
Seeds & Plants[10]	67.1	65.6	9,551	10,158	850	900
Trucks & Autos	38.0	31.0	2,247	1,806	200	160
Miscellaneous Capital Expenses[11]	29.7	19.7	112	226	10	20

[1] Number of farms reporting item divided by total number of farms. [2] Total expenditures divided by total number of farms. Items may not sum to total due to rounding. [3] Includes landlord and contractor share of farm production expenses. Totals may not add due to rounding. [4]Includes purchases and leasing of livestock and poultry. Edit procedures have been upgraded over the last two years to better identify cattle farm records where not all livestock are owned. These 'custom feeding' operations are now correctly recorded as production contracts, resulting in increased livestock purchases for contractors. [5] Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general and miscellaneous business expenses, and utilities. [6] Includes public and private grazing fees. [7] Includes material and application costs. [8]Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. [9] Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. [10] Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. [11]Miscellaneous Capital Expense is shown in the tables for the first time. To properly summarize Miscellaneous Expenses and Miscellaneous Capital Expenses, Miscellaneous Expenses were combined with General Business Expenses which is summarized as part of Farm Services. 2005 estimates were adjusted to reflect this change.



ECONOMIST CORNER

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

Livestock…Growing hog inventories, an effective Circovirus vaccine, and increased imports from Canada will increase the supply of hogs this fall. At the same time packing plants have closed, modestly reducing the US slaughter capacity. Larger pork supplies will pressure prices this fall. If we have multiple weeks of hog supplies at or above plant capacity it will push prices lower yet. In late August, December futures were trending higher at over $69 (carcass weight basis). Even with a typical basis, the farm level prices would average over $50/cwt live weight. These prices should offer breakeven price protection for most producers.

Fed cattle prices are expected to trend seasonally higher through the fall and could average in the mid $90s for the fourth quarter. First quarter prices typically are higher than fourth quarter. However, recent yearling prices have pushed breakeven for winter sales over $1 per pound and higher than hedgeable prices. Ample grass supplies in the Plains states and feedlots' desire for heavier feeders have delayed placements relative to last year. The heavier placement weight will lead to heavier carcass weights. Fall calf prices are forecast to be at or above the year earlier levels and should be at profitable prices for most cowherds.

Grain... Corn and soybean prices will take direction from forecasts in the September 12 crop production report and weather as the harvest season approaches. If production forecasts are near or slightly above last month, corn cash and futures prices would have modest down-side risk into the harvest season. Cash prices may have a bit more downward risk than futures because of shortages of storage space in some areas and pressure on elevator drying and receiving capacity. After harvest, a gradual upward trend in corn prices into spring appears likely as the corn, soybean, cotton, and wheat markets compete for cropland. World wheat stocks are at record low levels as a percent of annual use, and wheat prices are at a very large premium over corn. Some potential 2008 soybean acreage may be shifted to winter wheat this fall, thus causing the soybean market to attempt to draw some corn land back into bean production.

New-crop corn export sales so far are the largest for this date since 1995, when U.S. and foreign crop problems pushed Iowa cash corn prices over $5 per bushel for nearly six months. Current strong export demand in part reflects high wheat prices that are reducing foreign wheat feeding. Risk factors that might temper or limit corn upward price potential into winter and spring include (1) a possible shortage of transportation and blending capacity for the large increase in ethanol production in the next several months, (2) a large increase in Brazilian and Argentine corn and soybean plantings this fall and favorable weather there, (3) a deterioration in global economic activity, or (4) an unexpected sharp decline in global oil prices.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Aug [1] 2006	IOWA Jul [1] 2007	IOWA Aug [2] 2007	U.S. Jul [1] 2007	U.S. Aug [2] 2007
		---Dollars---				
Corn	Bu	2.09	3.29	3.05	3.32	3.17
Oats	Bu	1.81	2.57	2.60	2.33	2.25
Soybeans	Bu	4.84	7.48	7.45	7.56	7.49
Alfalfa, baled	Ton	80.00	109.00	104.00	137.00	137.00
All Hay, baled	Ton	78.00	106.00	103.00	131.00	132.00
All Hogs	Cwt	54.00	53.70	54.60	52.20	53.20
Sows	Cwt	35.50	38.00	37.00	36.80	36.00
Brw & Gilts	Cwt	54.40	54.00	55.00	53.00	54.10
Beef Cattle	Cwt	86.20	86.30	87.80	89.20	90.50
Cows	Cwt	52.10	53.50	53.50	51.40	51.50
Strs & Hfrs	Cwt	86.90	87.00	88.50	93.10	94.40
Calves	Cwt	123.00	125.00	132.00	127.00	129.00
Milk Cows [3]	Hd	-	2,020.00	-	1,950.00	-
Milk (whls)	Cwt	12.00	21.30	22.00	21.70	21.70
Sheep	Cwt	40.70	35.00	-	28.70	-
Lambs	Cwt	94.90	102.00	-	98.60	-
Eggs (mkt)	Doz	0.334	0.769	0.659	0.812	0.716

[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 Aug 2006	IOWA Jul 2007	IOWA Aug [1] 2007	UNITED STATES Aug 2006	UNITED STATES Jul 2007	UNITED STATES Aug [1] 2007
	1990-92=100 [2] John Lawrence					
Prices rec'd	100	130	128	119	141	139
Crops	89	141	135	125	141	139
Oil Bearing	87	134	134	94	136	134
Feed Grains	91	146	136	107	154	150
Lvstk	109	120	114	114	140	139
Meat Anim	113	113	115	119	120	122
Poult & Eggs	81	146	128	123	157	153
	1910-14=100 [3]					
Prices rec'd	-	-	-	757	893	885
Crops	-	-	-	615	697	688
Oil Bearing	-	-	-	512	744	733
Feed Grains	-	-	-	382	550	536
Lvstk	-	-	-	877	1,073	1,067
Meat Anim	-	-	-	1,210	1,221	1,245
Poult & Eggs	-	-	-	347	441	430

[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	Aug 2006	Jul 2007	Aug 2007	Aug 2006	Jul 2007	Aug 2007
	1990-92=100			1910-14=100		
Prices Paid [1]	149	158	158	1,989	2,105	2,110
Feed	120	149	151	587	725	736
Fertilizer	169	210	211	621	769	772
Fuels	270	265	262	2,084	2,046	2,021
Chemicals	129	130	130	795	803	805
Lvstk/Poultry	136	133	135	1,732	1,705	1,728
Ratio [2]	80	89	88	-	-	-
Parity Ratio [3]	-	-	-	38	42	42

[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 4.6 Percent

Milk production in Iowa in July totaled 362 million pounds, up 4.6 percent from July 2006. The average number of milk cows, 215,000 head, was 9,000 head higher than July 2006. Production per cow averaged 1,685 pounds, up 5 pounds from last year.

Milk Cows and Production: By Selected States, July 2006-2007

State	Milk Cows [1]		Milk Per Cow [2]		Milk Production [2]		
	2006	2007	2006	2007	2006	2007	Change from 2006
	1,000 Head	*1,000 Head*	*Pounds*	*Pounds*	*Million Pounds*	*Million Pounds*	*Percent*
IL	103	103	1,600	1,550	165	160	-3.0
IN	166	166	1,670	1,685	277	280	1.1
IA	**206**	**215**	**1,680**	**1,685**	**346**	**362**	**4.6**
KS	113	108	1,720	1,760	194	190	-2.1
MI	322	336	1,895	1,945	610	654	7.2
MN	450	462	1,560	1,565	702	723	3.0
MO	115	110	1,270	1,220	146	134	-8.2
OH	274	276	1,470	1,530	403	422	4.7
WI	1,243	1,248	1,610	1,670	2,001	2,084	4.1
23-State Total [3]	8,258	8,308	1,688	1,743	13,937	14,483	3.9

[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.

Iowa Egg Production

Egg production in Iowa for July 2007 was 1.20 billion eggs, unchanged from the same period a year ago. The total number of layers on hand during July 2007 was 52.9 million, up from 51.0 million layers in July 2006. Eggs per 100 layers for the month of July was 2,275, down from 2,357 eggs the previous year.

All Layers and Egg Production, July 2006 and 2007 [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]	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
	Thousands	*Thousands*	*Thousands*	*Thousands*	*Number*	*Number*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*	*Million eggs*
IN	23,526	23,357	24,251	24,044	2,284	2,283	554	549			13	12
IA	50,301	51,969	51,038	52,878	2,357	2,275	1,203	1,203	541	537	12	15
MN	10,487	10,064	10,934	10,541	2,232	2,258	244	238	1,191	1,188	8	9
NE	11,665	10,748	11,740	10,823	2,232	2,347	262	254	236	229		
OH	26,986	5,253	27,495	25,815	2,233	2,270	614	586	80	105		
29 Sts[4]	262,450	258,566	317,634	315,397	2,241	2,238	7,120	7,058	6,152	6,052	968	1,006
US	278,104	274,008	341,252	338,975	2,240	2,234	7,645	7,574	6,550	6,436	1,095	1,138

[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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