

Ag Decision Maker

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UPDATES

The following [Information Files](#) have been updated on extension.iastate.edu/agdm:

A1-20 Estimated Costs of Crop Production in Iowa—2025

A1-21 Historical Estimated Costs of Crop Production in Iowa

A1-50 Important Crop Insurance Dates

The following [Video and Decision Tools](#) have been updated on extension.iastate.edu/agdm:

A1-10 Chad Hart's Latest Ag Outlook

A1-20 Estimated Costs of Crop Production in Iowa - 2025 (individual budgets)

A1-33 ARC-CO & PLC Per Acre Payment Estimator for Iowa, 2025-2026

A1-33 ARC-CO & PLC Per Acre Payments for Iowa, 2019-2024

The following [Profitability Tools](#) have been updated on extension.iastate.edu/agdm/outlook.html:

A1-85 Corn Profitability

A1-86 Soybean Profitability

A2-11 Iowa Cash Corn and Soybean Prices

A2-15 Season Average Price Calculator

D1-10 Ethanol Profitability

D1-15 Biodiesel Profitability



Big crops got smaller

By Chad Hart, extension crop market economist,
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As USDA always does at the beginning of the new year, they update the final production numbers for the previous year and provide an early look at usage based on the data since harvest. This year's final numbers revealed big corn and soybean crops, but smaller than previously estimated. The changes in crop usage were relatively smaller and made to align with the smaller crop production. The markets received some good news, with supplies shrinking more than usage. Projected stocks at the end of the marketing year diminished and the corn price estimate for the 2024 crop increased by 15 cents, although the 2024 soybean price did not move. Profit margins disappeared over the latter half of 2024, but the outlook for 2025 is mixed with corn seeing slightly higher prices and lower costs. Profit opportunities will be harder to find once again, with corn having better prospects than soybeans. Thus, the economic outlook for 2025 remains challenging, with prices at or below production costs.

Crop production continues to be strong, despite weather challenges. The January update showed that the late growing season dryness did nip off some of the high-end yields, but overall production held up well. The final national yield estimate reached a record 179.3 bushels per acre, down 3.8 bushels from the prior estimate, but two bushels higher than the previous record from 2023. Record yields were established in Arkansas, Louisiana, New York, Michigan, South Dakota, Illinois, and Iowa. In November, Nebraska, Wisconsin, and Indiana were projected to reach records as well, but the late dryness knocked 11 bushels off Indiana, seven bushels from Wisconsin, and six bushels from Nebraska. Minnesota and Ohio also declined by eight bushels or more. Despite the record national yield, corn yields were lower across the board in the Southeast and Mid-Atlantic states. Iowa's corn yield was lowered by two bushels, but still reached a record 211 bushels per acre.



The pattern for soybean yields was somewhat similar. While the national yield was not a record, it was a good yielding year despite the weather challenges. The national yield of 50.7 bushels per acre is a bushel lower than the November estimate and 0.1 bushels higher than the 2023 crop. Arkansas, Mississippi, and Georgia captured record yields. But the January update lowered yield estimates across the vast majority of the Midwest and Great Plains. Of the major producing states, Indiana and Kansas saw the largest drops, shedding three bushels per acre. For Iowa, the state average soybean yield fell one bushel to 60 bushels per acre.

Table 1 outlines all of the changes to the national corn supply and use balance sheet. USDA found that farmers planted fewer corn acres than previously projected, but increased harvested acreage. However, the decrease in corn yields overwhelmed the acreage shifts. The final estimate for corn production came in at 14.867 billion bushels, down 276 million from the previous estimate and nearly 500 million bushels less than the 2023 crop. And as is usually the case, when the production estimate decreases, so do usage estimates. USDA subtracted 50 million bushels from feed and residual usage and 25 million bushels from exports. With production falling faster than usage, the 2024-25 ending stock estimate declined by 198 million bushels, to 1.54 billion bushels, which

is a substantial drop from the two billion estimates earlier in 2024. Given the downward adjustment in stocks, USDA raised its season-average price estimate by 15 cents to \$4.25 per bushel.

The soybean data again tells a similar story to corn, with smaller production and stocks. While planted area did not change, the 2024 harvested area fell by roughly 200,000 acres, and the reduction in yields built on that. The combination brought the production estimate down by 95 million bushels, putting national production at 4.366 billion bushels, roughly 200 million bushels higher than the 2023 crop. For the most part, soybean usage estimates were held steady, with soybean crush at 2.41 billion bushels and exports at 1.825 billion bushels. The 2024-25 ending stocks decreased by 90 million bushels, to an estimate of 380 million bushels, which is 38 million bushels higher than the 2023-24 ending stock number. Despite the improving stock estimate for soybeans, USDA held its 2024-25 season-average price estimate at \$10.20 per bushel.

Figure 1. Corn yields, 2024. Source: USDA-NASS.

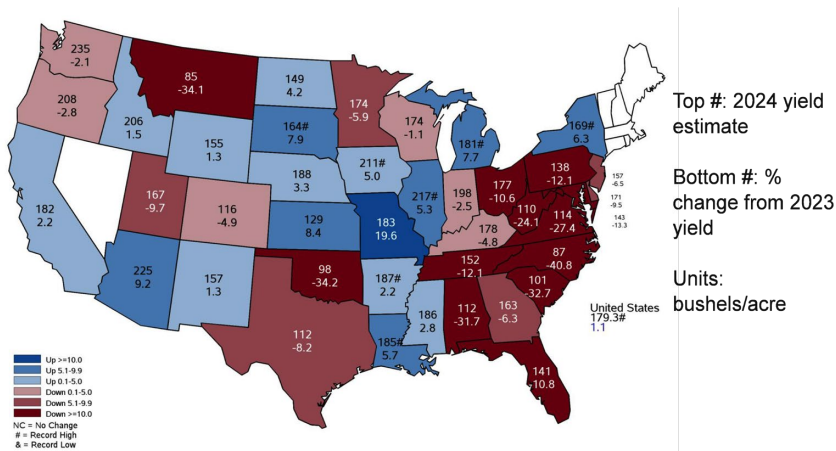
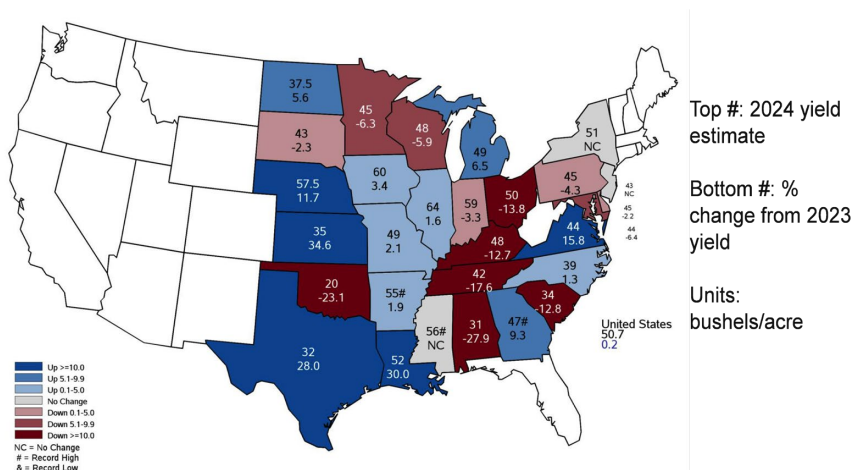


Figure 2. Soybean yields, 2024. Source: USDA-NASS.



The pricing outlook for 2025 is mixed. The season-average price estimate based on current futures for the 2024 crops has fallen below USDA's season-average estimate for soybeans, but corn futures are providing more optimism. The cut in production gave both markets something to rally around.

Beyond that, ethanol and export strength has been supportive of prices. But with the change in administrations and the significant prospects for tariffs on the horizon, export strength may fade. The early view for 2025 shows acreage moving out of soybeans and into corn. That shift could provide some

relief for the soybean market in the long-run, but put additional pressure in the corn market to find additional usage to match the greater bushels, whether from biofuels or exports.

The latest [Market Outlook video](https://youtu.be/Wp9ET_cqwxo), https://youtu.be/Wp9ET_cqwxo, is provided for further insight on outlook for this month.

Table 1. Corn supply and use. Source: USDA-WAQB.

Marketing Year (2024 = 9/1/24 to 8/31/25)		2023	2024	2024 Change from Previous Estimate
Area Planted	(million acres)	94.6	90.6	-0.2
Area Harvested	(million acres)	86.5	82.9	0.2
Yield	(bushels/acre)	177.3	179.3	-3.8
Production	(million bushels)	15,341	14,867	-276
Beginning Stocks	(million bushels)	1,360	1,763	3
Imports	(million bushels)	28	25	0
Total Supply	(million bushels)	16,729	16,655	-273
Feed and Residual	(million bushels)	5,804	5,775	-50
Ethanol	(million bushels)	5,478	5,500	0
Food, Seed, and Other	(million bushels)	1,391	1,390	0
Exports	(million bushels)	2,292	2,450	-25
Total Use	(million bushels)	14,966	15,115	-75
Ending Stocks	(million bushels)	1,763	1,540	-198
Season-Average Price	(\$/bushel)	\$4.55	\$4.25	\$0.15

Table 2. Soybean supply and use. Source: USDA-WAQB.

Marketing Year (2024 = 9/1/24 to 8/31/25)		2023	2024	2024 Change from Previous Estimate
Area Planted	(million acres)	83.6	87.1	0
Area Harvested	(million acres)	82.3	86.1	-0.2
Yield	(bushels/acre)	50.6	50.7	-1.0
Production	(million bushels)	4,162	4,366	-95
Beginning Stocks	(million bushels)	264	342	0
Imports	(million bushels)	21	20	5
Total Supply	(million bushels)	4,447	4,729	-89
Crush	(million bushels)	2,287	2,410	0
Seed and Residual	(million bushels)	123	114	1
Exports	(million bushels)	1,695	1,825	0
Total Use	(million bushels)	4,105	4,349	1
Ending Stocks	(million bushels)	342	380	-90
Season-Average Price	(\$/bushel)	\$12.40	\$10.20	\$0.00



Inflation and farmland: understanding real vs. nominal value

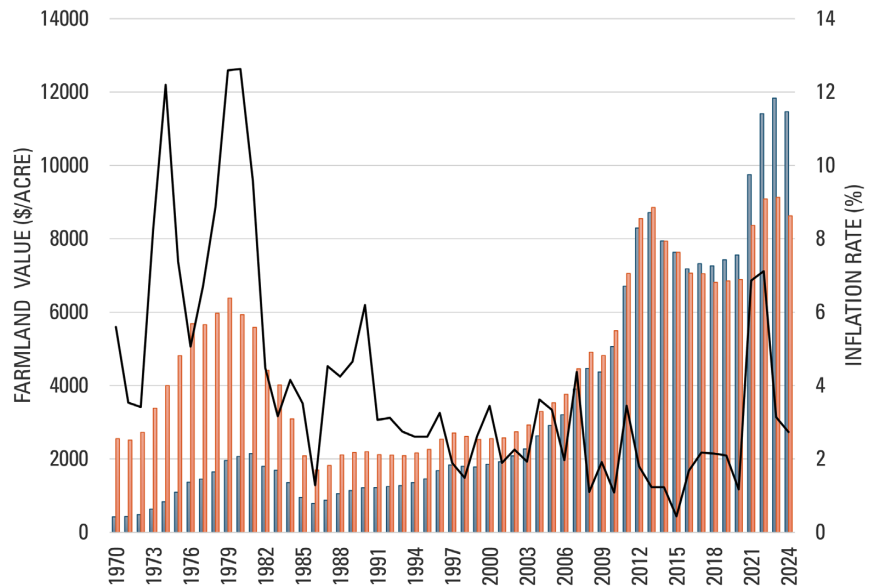
By Rabail Chandio, extension economist, 515-294-6181 | rchandio@iastate.edu

The 2024 Iowa State University Land Value Survey revealed a 3.1% decline in the average nominal value of Iowa farmland, bringing the statewide average to \$11,467 per acre. However, when adjusted for inflation, the real value of farmland decreased by 5.5%, highlighting a distinction between nominal and inflation-adjusted values.

Some relevant information from the 2024 Survey

- **Real vs. Nominal Value:** The average nominal value of Iowa farmland decreased by 3.1% in 2024 to \$11,467 per acre. However, the real value decreased by 5.5%, highlighting the erosion of purchasing power over time.
- **Inflation-Adjusted Stability:** Despite declines, inflation-adjusted values remain above pre-2021 levels, highlighting the long-term market resilience of farmland values.
- **County-Level Insights:** 75 counties reported nominal value declines, and 88 saw inflation-adjusted declines. The largest nominal drop occurred in Harrison County (-9.7%), while Decatur County experienced a nominal increase (+10.5%).
- **Shift to Real Returns:** As inflation moderates, it is important to also focus on real purchasing power and

Figure 1. Nominal and inflation-adjusted values and inflation rate from 1970 to 2024
Note: Inflation-adjusted or real values are adjusted to reflect the value in 2015 dollars. Source: ISU Land Value Surveys.



inflation-adjusted outcomes rather than nominal gains. Let's dive into the differences between nominal and real values, and what it means for a farmer and landowner's wealth.

Nominal vs. Inflation-adjusted values: what's the difference?

Nominal value refers to the monetary amount assigned to something, such as farmland, at a specific point in time without adjusting for changes in the purchasing power of money due to inflation. It is simply the face value or stated value of an asset in current dollars. For example, if the nominal value of farmland in 2024 is \$11,467 per acre, this

represents the price someone would pay for the land in 2024 dollars. It does not consider how inflation over time might have reduced the purchasing power of those dollars.

Inflation-adjusted values, on the other hand, consider the effect of inflation, providing a measure of purchasing power over time. The inflation-adjusted value of Iowa farmland in 2024, measured in 2015 dollars, was approximately \$8,630 per acre. Converting a number to its inflation-adjusted value allows for a reasonable comparison across time. For instance, while the nominal value of Iowa farmland in 2024 is \$11,467 per acre—much higher than the

\$8,716 per acre reported during the previous peak in 2013—the inflation-adjusted value reveals a different story. The real value in 2015 dollars is \$8,627 per acre in 2024, slightly lower than the inflation-adjusted 2013 value of \$8,854 per acre. So, if Farmer A bought land in 2013 for \$8,716 per acre (nominal), its real value today is lower and Farmer A's purchasing power has effectively decreased in real terms. When adjusting for inflation, the 2024 average value is 2.5% lower than 2013's inflation-adjusted values. This highlights how the purchasing power of money changes over time.

Simply put, using inflation adjusted value can be thought of as comparing apples to apples when considering how the buying power of money changes over time. The \$11,467 in 2024 buys less in terms of goods and services than \$8,716 did in 2013. This means that while nominal prices have risen, landowners are not necessarily wealthier in terms of real purchasing power compared to a decade ago. For farmers and investors alike, this distinction is crucial. Inflation-adjusted values provide a clearer picture of long-term investment returns, whereas nominal values are often used for short-term market analysis.

Figure 1 shows the trend in nominal and real value of Iowa farmland according to the [2024 Iowa Land Value Survey](https://farmland.card.iastate.edu/isu-land-value-survey-2024), <https://farmland.card.iastate.edu/isu-land-value-survey-2024>,

plotted along with the inflation rate since 1970. In the 55 years shown in Figure 1, there are two periods where inflation adjusted values show a marked difference from the nominal values. The first one occurs at the very beginning in the 1970s and early 1980s, and the second one occurred in the years after 2020. These are also the two periods corresponding to very high inflation. When inflation is high, the erosion in the purchasing power of money is also high. So, a large increase in the nominal value farmland will result in a much smaller increase (if an increase at all) in the real or inflation-adjusted value.

How inflation impacts farmland value

Inflation affects farmland values in interconnected and often complex ways, shaping both short-term trends and long-term investment potential. Historically, farmland has been considered a reliable hedge against inflation due to its intrinsic value and physical permanence. When inflation surges, farmers and investors alike often turn to tangible assets like farmland to preserve wealth. This dynamic was evident during 2021 and 2022, when high inflation strongly supported demand for farmland, pushing up nominal values. Of course, the availability of cash and credit was a crucial factor in fueling this demand. But what happens when inflation begins to moderate?

By 2024, inflation had slowed, but its ripple effects on the farmland market were still apparent. Slowing inflation doesn't necessarily mean costs will drop; instead, it indicates that prices are rising at a slower pace. Farmers, therefore, continue to face high input costs—such as fuel, fertilizers, and equipment—that cut into profitability and tighten margins. These elevated expenses make additional land purchases less appealing, reducing demand for farmland and easing upward pressure on land values. The challenge becomes more pronounced when coupled with borrowing hurdles in a high-interest rate environment.

Interest rates further complicate the picture. Higher rates drive up borrowing costs, making land purchases less affordable for farmers and investors alike. For many in 2024, the cost of financing a land purchase outweighed the potential returns, putting downward pressure on demand and, consequently, on land values. Without significant reductions in interest rates, these pressures are likely to persist into 2025 and beyond.

Another critical aspect of inflation's influence lies in cash flow expectations. During periods of high inflation, cash rents and commodity prices often rise, as was the case during the COVID-19 pandemic, supporting higher nominal land values. However, as inflation cools, these gains may stabilize or even reverse, requiring

stakeholders to shift their focus from nominal gains to inflation-adjusted outcomes. Evaluating the real returns and the purchasing power of farmland investments becomes increasingly important in such an environment.

Conclusion

The distinction between nominal and inflation-adjusted values isn't just a technical matter—it's central to making informed farmland decisions in today's economic

environment. For farmers, recognizing inflation-adjusted trends can help negotiate fair rental agreements or assess the real long-term value of land purchases. Non-farming landowners and investors, on the other hand, can use these insights to identify undervalued opportunities or understand the broader implications of high borrowing costs.

The [Iowa State Farmland Value Portal](https://farmland.card.iastate.edu/), <https://farmland.card.iastate.edu/>, offers several

resources for tracking county and state levels:

- [historical data](https://farmland.card.iastate.edu/isu-survey/archive), <https://farmland.card.iastate.edu/isu-survey/archive>
- [regional variations](https://farmland.card.iastate.edu/interactive-maps), <https://farmland.card.iastate.edu/interactive-maps>, and
- [inflation-adjusted trends](https://farmland.card.iastate.edu/graphs), <https://farmland.card.iastate.edu/graphs>.

A recent Women Managing Farmland webinar shares additional insights on the [2024 Land Value Survey](https://vimeo.com/1040927950), <https://vimeo.com/1040927950>.



Register for the 2025 Farm Transitions Conference!

[2025 Beginning Farmer Center Farm Transitions Conference](https://www.regcytes.extension.iastate.edu/farmtransitions/)

www.regcytes.extension.iastate.edu/farmtransitions/

Are you ready to take the next steps in your farm transition and estate planning journey or simply learn more about the process? The two-day 2025 Farm Transitions conference is designed for producers of all ages, farmland owners, and their families. Join us in Ames, Iowa, or online.

Over two days, participants will have the opportunity to learn and stay up to date on current tax laws, farm succession planning strategies, agricultural market updates and more. Aspiring and beginning farmers will enjoy sessions targeted specifically to them. Participants will hear from experts on transition planning tools and how to take action to turn ideas and goals into a tangible plan.

The conference is a fantastic opportunity to network with speakers and attendees. While we hope that you can participate in person, we also have a virtual option available. We look forward to seeing you in person or online!



Crop production estimates available for 2025 growing season

By Chad Hart, extension crop market economist, 515-294-9911 | chart@iastate.edu; Ann Johanns, extension program specialist, 515-337-2766 | aholste@iastate.edu

Farmers can estimate the cost of producing various crops in 2025 by using data published in the January edition of Ag Decision Maker.

Information File, [Estimated Costs of Crop Production](http://www.extension.iastate.edu/agdm/crops/html/a1-20.html), www.extension.iastate.edu/agdm/crops/html/a1-20.html, includes average production costs for corn, corn silage, soybeans, alfalfa and pasture maintenance. [Decision tools](http://www.extension.iastate.edu/agdm/decisiontools.html), www.extension.iastate.edu/agdm/decisiontools.html, as well as [web-based calculators](http://www.card.iastate.edu/tools/ag-decision-maker/crops/), www.card.iastate.edu/tools/ag-decision-maker/crops/, are available that allow farmers to enter their own numbers, so they can estimate production costs on their own farm.

Production costs are always important to know in advance of the planting season, but even more so during a period of tighter profit margins in the crop market.

The economic outlook for 2025 continues the pattern we ended 2024 with, where prices have fallen below production costs and any opportunities for profits will be limited this year, barring significant changes with either smaller production or greater usage.

The 2025 report shows a 2–3% decline in the cost of corn production, driven mainly by lower fertilizer and chemical costs compared to 2024, whereas soybean costs are 1% higher. Total cost per bushel is impacted by higher trend yields used in the budgets, resulting in 1–6% declines overall. Land cost is projected to be stable, with increases in labor and machinery costs.

The report provides estimates for common crop rotations, including corn following corn, corn following soybeans and corn following silage. The report lists specific costs commonly associated with each crop, including seed, fertilizer, machinery use and labor. Budgets for various production methods are also included, such as low-till and strip-till budgets for corn and soybeans. Machinery costs reflect both new and used equipment and are up 3–4% in the 2025 projections.

Due to differences in soil condition, the quantity of inputs used and other factors, production costs will ultimately vary from farm to farm. Labor is treated as a fixed cost in the report, because most labor on Iowa farms is supplied by the operator, family or permanent hired labor.

[Historical estimates of Iowa crop production costs are also available](http://www.extension.iastate.edu/agdm/crops/html/a1-21.html), www.extension.iastate.edu/agdm/crops/html/a1-21.html, dating back to 2000.

Farm bill decisions

Other timely tools also available in the January Ag Decision Maker update, include [decision tools to help farmers select the appropriate farm bill program](http://www.extension.iastate.edu/agdm/crops/html/a1-33.html), www.extension.iastate.edu/agdm/crops/html/a1-33.html. Options include Price Loss Coverage and Agricultural Risk Coverage, with options for individual farm coverage or county-level coverage. The tools help farmers analyze and select the best option for their own operation.

The current farm bill has been extended through Sept. 30. With price changes in the projections for ARC-CO and PLC, it is a good time for producers to consider if their current enrollment best fits their operation's risk management needs. USDA's Farm Service Agency dates to make changes to program enrollment for ARC and PLC for the 2025 crop year are open from Jan. 21 to April 15, 2025.



Knowing committed and delivered cattle supplies can improve producer marketing

Lee Schulz, Chief Economist, Ever.Ag Livestock Division; ISU extension livestock economist (on leave) | lschulz@iastate.edu

Market participants scrutinize cattle prices published through Livestock Mandatory Reporting (LMR) conducted by USDA's Agricultural Marketing Service. LMR also mandates reporting trade volumes. Some published reports contain prices and volumes. Some just show prices. Others only volumes. For the committed and delivered slaughter cattle reports, head counts are what's being reported by packers and published by USDA.

Week-to-week or daily variation in cattle prices, both above and below the market price level, result from many factors directly affecting price discovery. One factor is committed cattle supplies. Furthermore, knowing trading volume, or committed and delivered supplies, provides insight on whether the market is thick or thin. The higher the volume, the more confidence market participants can have that the price level is established. That helps identify potential changes in trend.

The [National Weekly Slaughter Cattle-Committed and Delivered Cattle report](https://mymarketnews.ams.usda.gov/viewReport/2472), <https://mymarketnews.ams.usda.gov/viewReport/2472>, or LM_CT142 for short-hand, is published on Monday and includes the prior week's trade. The LM_CT142 report is one in a series of

committed and delivered cattle reports which include:

- [LM CT104](https://mymarketnews.ams.usda.gov/viewReport/2654), <https://mymarketnews.ams.usda.gov/viewReport/2654>, daily morning or AM report providing data from the previous afternoon.
- [LM CT105](https://mymarketnews.ams.usda.gov/viewReport/2655), <https://mymarketnews.ams.usda.gov/viewReport/2655>, daily afternoon or PM report "reflecting numbers so far today".
- [LM CT106](https://mymarketnews.ams.usda.gov/viewReport/2656), <https://mymarketnews.ams.usda.gov/viewReport/2656>, daily summary report publishing data from the prior day.
- [LM CT143](https://mymarketnews.ams.usda.gov/viewReport/2473), <https://mymarketnews.ams.usda.gov/viewReport/2473>, monthly summary report.

Some definitions can aid understanding of various sections of the reports. The phrase "committed cattle" are cattle that are scheduled to be delivered to the packer. The LMR definition is a little more prescriptive in that these are cattle that are scheduled to be delivered to a packer within the seven-day period beginning on the date of an agreement to sell the cattle. However, the committed and delivered reports leave open the possibility for longer delivery windows with headings that

read: Committed (Scheduled for Slaughter) - Generally Within 7 Days. The phrase "delivered cattle" are cattle that have been delivered to the packing plant for slaughter. Committed cattle become delivered cattle. Domestic and imported cattle numbers are published separately in the reports. We'll focus on the domestic head counts here, as that is where most of the volume is.

Under LMR the term "packer" includes a federally inspected cattle processing plant that slaughtered an average of 125,000 head of cattle per year during the immediately preceding five calendar years. In the case of a cattle processing plant that did not slaughter cattle during the immediately preceding five calendar years, it shall be considered a packer if the Secretary of Agriculture determines the processing plant should be considered a packer after considering its capacity.

Packer financing ups and downs

The reports provide head counts for cattle that have packer financing involved. Head counts are broken out for both committed and delivered cattle and live and dressed sales. But if packer financing is involved, it's for dressed sales, except

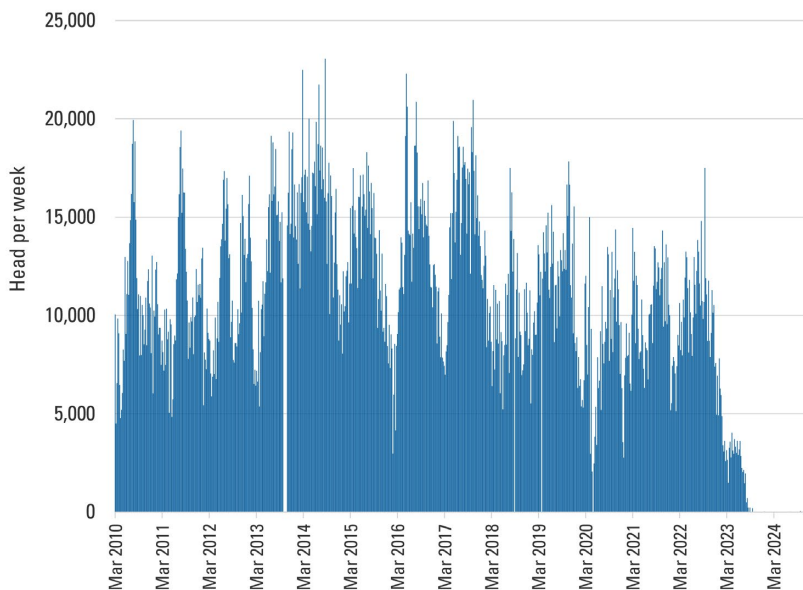
for a few head intermittently of live sales. Packer financing is any financing provided to the seller for the cattle. No additional detail is provided, but in general, packer financing helps producers with operating cash flow until the cattle are marketed. In return, a producer commits to deliver the cattle to the packer.

From 2010 through 2022 about 11,700 head of cattle a week were delivered to plants that had packer financing involved (Figure 1). This volume was only 2.4% of federally inspected steer and heifer slaughter. In 2023, sales with packer financing involved dropped precipitous to a few hundred head by August and September. Since then, USDA has only sporadically published limited data on sales with packer financing involved.

Less packer financing may in fact exist, or protecting confidentiality may preclude publishing this information. Interestingly, during consecutive weeks beginning in December 2024 and extending into January 2025, USDA began receiving enough data on committed, and delivered, cattle with packer financing involved to begin publishing this volume again. Is this an aberration? Or, will we see more packer financing in the next couple of years than we saw in recent years? The last time we were in a similar tight supply, high feeder cattle price position in the cattle cycle, packer financing rose to its highest levels in the data series.

Figure 1. Dressed delivered cattle with packer financing involved.

Data source: USDA Agricultural Marketing Service, Livestock, Poultry, and Grain Market News.



This was over 16,000 head per week on average from July 2013 through October 2014.

Who chooses delivery location and date?

In addition to packer financing, the terms of trade may include whether the delivery terms specify the location of the packer's plant for delivery and whether the packer is able to unilaterally specify the date that the cattle are to be delivered for slaughter.

Since March 2010, the percentage of delivered cattle that had the date chosen by the packer averaged 82.6%. This percentage has remained fairly consistent over the years. The percentage of delivered cattle that had the location chosen by the packer was 62.6% from March 2010 through 2013, 60.5% from 2014 through 2016, and 57.0% since then.

Committed cattle by region

A producer may decide to commit more cattle in regions, and at times, when fed cattle supplies are tight and/or packers have fewer cattle committed for delivery. Presumably the producer would have more leverage in such situations.

Of the committed cattle in 2024, 0.3% were from the southeast, 1.4% from the northeast, 2.1% from Canada, 2.5% from the Eastern Cornbelt, 3.2% from the North Plains/Eastern Mountain region, 4.6% from the Western States, 7.1% from Colorado, 12.5% from Iowa/Minnesota/Missouri, 21.2% from Nebraska, 22.2% from Texas/Oklahoma/New Mexico and 23.2% from Kansas.

In 2024, producers in Iowa/Minnesota/Missouri committed over 90,000 head more cattle than they did in 2023 (Figure 2). This amounted to about

1,850 head more per week. About 45,000 more head were committed than in the 2018-2022 average or about 900 head more per week. As cattle supplies tighten in 2025, fewer cattle will be committed, and delivered for slaughter, and packers will have to bid up to get the available supply.

Cattle scheduled to be shipped out of a region for slaughter

Fires, both wild and facility structures, extreme weather events like flooding, power outages, and heavy snowfall and ice can significantly impact beef packing operations by damaging infrastructure, hindering transportation and impacting production facilities. In addition, labor availability is an important factor determining daily slaughter. Factors that potentially limit labor supply can hinder plants to the point of closure, especially in times when worker absences are high. COVID-19 was one notable example.

Operating multiple plants in different geographic regions has long offered potential economic advantages in many industries, including beef packing. One advantage is that beef packing firms with multiple plants can avoid diseconomies of scale due to transportation costs. Another advantage is the opportunity for multi-plant firms to optimize capacity utilization across plants. Continuity of business is another. If one plant

Figure 2. Cattle committed (scheduled for slaughter). Iowa/Minnesota/Missouri.

Data source: USDA Agricultural Marketing Service, Livestock, Poultry, and Grain Market News.

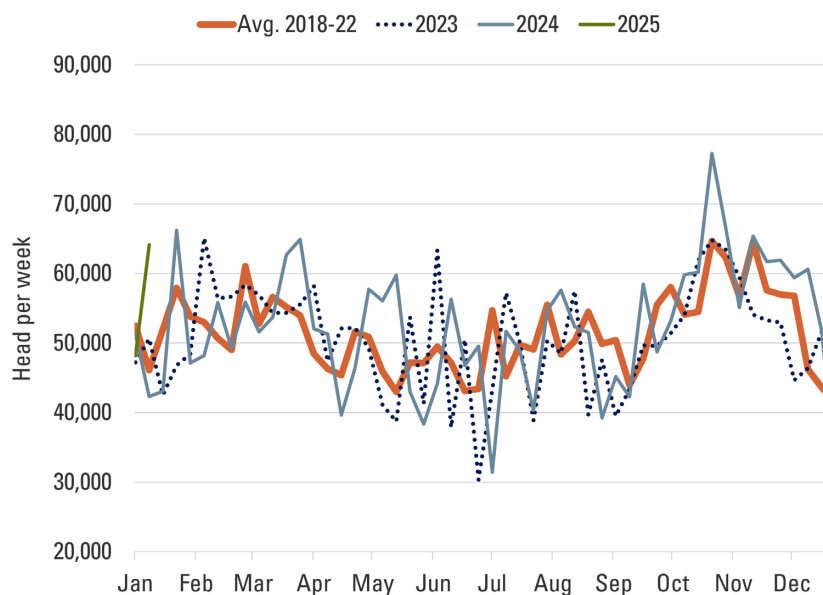
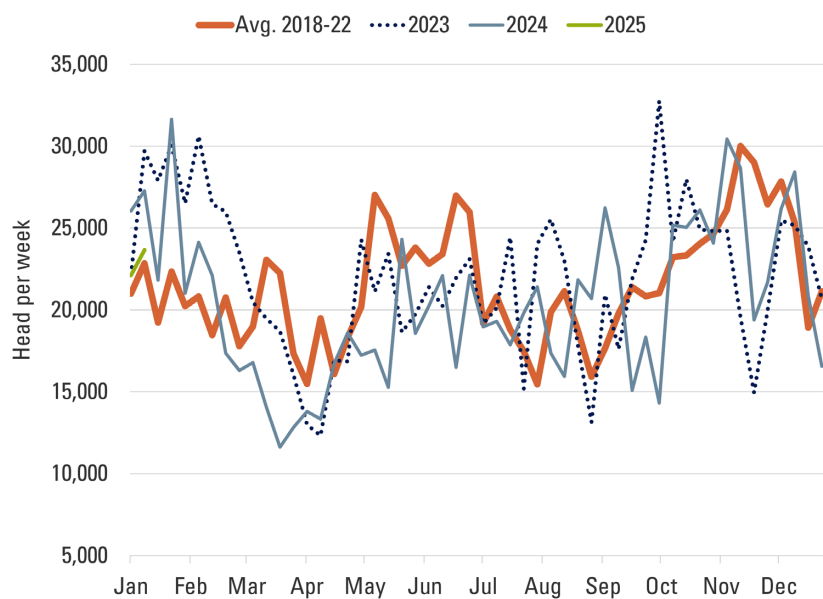


Figure 3. Cattle scheduled to be shipped out of Nebraska for slaughter.

Data source: USDA Agricultural Marketing Service, Livestock, Poultry, and Grain Market News.



is closed for whatever reason, other plants can continue operating, both purchasing cattle and supplying beef to customers.

Because of these reasons, cattle can be produced in one region but shipped to another region for slaughter. Geography plays a role, too. A feedlot in western Nebraska may be closest to a packing plant in eastern Colorado. The same can be said for other states and regions. The committed and delivered cattle reports provide cattle numbers

scheduled to be shipped out of three different regions for slaughter. The regions of origin include: Texas/Oklahoma/New Mexico, Kansas, and Nebraska. Some seasonality exists in cattle numbers scheduled to be shipped out of a region for slaughter. For Nebraska, for example, shipments out of the

state for slaughter tend to be lowest in the spring (Figure 3). This reflects a combination of supply—the majority of calves are spring born and marketed as fed cattle in the summer and fall—and demand conditions—demand for beef begins to accelerate in the spring.

Prices are the key factor as cattle market participants make trading decisions. But volume provides much insight. For example, a high price on one steer is a really thin market. It doesn't mean much. USDA has multiple reports that help gauge supplies of fed cattle. Also studying the committed and delivered reports provides additional intel on cattle volume.



Litter rate records don't stand for long

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The inventory of all hogs and pigs on US farms on December 1, 2024 was 75.845 million head according to the latest [Quarterly Hogs and Pigs report](#), published by USDA's National Agricultural

Statistics Service (Table 1), <https://downloads.usda.library.cornell.edu/usda-esmis/files/rj430453j/8k71qc09p/1z40nm991/hgpg1224.pdf>. This was up 384,000 head or 0.5% from

December 1, 2023. There were 24.600 million hogs and pigs on Iowa farms. The total Iowa hogs and pigs inventory was down 400,000 head or 1.6% from a year ago.

Table 1. USDA quarterly hogs and pigs report summary. Source: USDA NASS

	United States			Iowa		
	2023	2024	2024 as % of 2023	2023	2024	2024 as % of 2023
Dec 1 inventory*						
All hogs and pigs	75,461	75,845	100.5	25,000	24,600	98.4
Kept for breeding	5,999	6,004	100.1	750	830	110.7
Market	69,463	69,841	100.5	24,250	23,770	98.0
Under 50 pounds	21,571	21,834	101.2	6,310	6,150	97.5
50–119 pounds	19,154	19,426	101.4	7,480	7,340	98.1
120–179 pounds	14,908	14,824	99.4	5,700	5,470	96.0
180 pounds and over	13,829	13,757	99.5	4,760	4,810	101.1
Sows farrowing**						
Jun–Aug	3,026	3,024	99.9	480	470	97.9
Sep–Nov	2,962	2,955	99.8	455	480	105.5
Dec–Feb ^{1,2}	2,929	2,930	100.0	440	475	108.0
Mar–May ³	2,913	2,953	101.4	425	475	111.8
Sep–Nov pigs per litter	11.66	11.92	102.2	11.80	11.60	98.3
Sep–Nov pig crop*	34,537	35,238	102.0	5,369	5,568	103.7

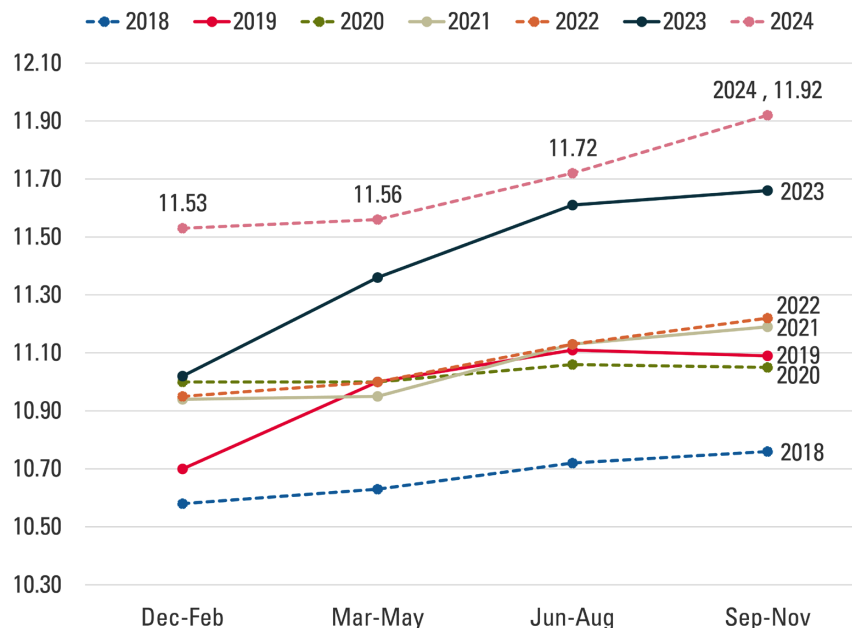
Full USDA report: <https://downloads.usda.library.cornell.edu/usda-esmis/files/rj430453j/8k71qc09p/1z40nm991/hgpg1224.pdf>.

*1,000 head; **1,000 litters; ¹December preceding year. ²Intentions for 2024-2025. ³Intentions for 2025.

The US breeding herd inventory on December 1, 2024, at 6.004 million head, was up 0.1% from December 1, 2023. The stable breeding herd suggests no meaningful expansion on the horizon. The ratio of intended sows farrowing during December 2024-February 2025 to the December 1, 2024 breeding herd would be 48.48%. This would compare to 48.83% a year prior and the 10-year average of 48.50%. This consistency suggests the December 2024-February 2025 sows farrowing number could be very close to the 2.930 million head suggested by the second intentions estimate in this report. This would be about the same as actual sows farrowing the year prior. One has to use a corresponding pigs saved per litter estimate to project a pig crop for December 2024-February 2025. Conservatively, using a flat litter rate would imply no change in the pig crop from a year earlier. However, growth in litter rates has averaged a 2.4% year-over-year pace the last four quarters. There were 830,000 breeding hogs on Iowa farms on December 1, 2024. This was up 10.7% from a year ago. As of December 1, Iowa producers planned to farrow 475,000 sows and gilts in the December 2024-February 2025 quarter and 475,000 head during the March-May 2025 quarter. This would be up 8.0% and 11.8% from the sows and gilts farrowed in the respective quarters a year prior.

Figure 1. United States pigs saved per litter by quarter.

Data source: USDA-NASS Quarterly Hogs and Pigs Reports.



The market hog inventory on US farms on December 1, 2024, at 69.841 million head, was up 0.5% from December 1, 2023. This is still about a million head lower than the record 70.846 million head on December 1, 2020. The Iowa market hog inventory, at 23.770 million head, was down 2.0% from last year.

Iowa accounted for 13.8% of the breeding herd, 34.0% of the market hog inventory and 32.4% of the total hogs and pigs in the United States this last quarter.

Big advance, again, in pigs saved per litter average

Normally when setting a new record, in anything, it's by a razor thin margin. Why? Because records are highly context-dependent. Setting a new one isn't just about talent or hard work. It also often takes a syzygy of good circumstances and good luck. How often do all the right variables align? For the number of pigs saved per litter, it

appears favorable conditions are aligning more often than not.

The September-November 2024 pig crop at 35.238 million head was up 2.0% compared to the same period in 2023. It was a record for the quarter surpassing the 34.987 million head pig crop in September-November 2020. Market hogs from a quarterly pig crop go to slaughter two quarters later. So, pigs farrowed in September-November 2024 go to slaughter in April-June 2025.

Sows farrowing during the September-November 2024 period totaled 2.955 million head, down 0.2% from 2023. The average pigs saved per litter was 11.92 for the quarter, compared to 11.66 last year (Figure 1). The large 2.2% increase in litter rates compared to year-ago levels was much larger than pre-report expectations which had the increase at 0.6%.

The September-November litter rate has now broken a record in 2021, 2022, 2023, and 2024. This pig saved per litter US average is now almost a full pig (0.87) or 7.9% higher in 2024 than in 2020.

Number of published states reduced

The [Hog Inventory Survey](http://www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Hog_Inventory/index.php), www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Hog_Inventory/index.php, is conducted quarterly in December, March, June, and September. Hog owners, including contractors, are the target population for the survey. All states are included in the December Hog Survey while producers in the largest 30 hog producing states are surveyed during the other three quarters. Survey indications, previous official estimates, and administrative data are used to set official hogs and pigs inventory estimates.

In December, it had been the case that official statistics were

provided for all US states. In March, June, and September, state estimates were provided for the 16 states with the largest hog and pig production. These states included Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, and Utah. The 34 non-published states were accounted for and published as an Other States estimate.

In April 2024, USDA’s National Agricultural Statistics Service announced [changes to the Livestock Statistical Program](http://www.nass.usda.gov/Surveys/Program_Review/2024/Livestock-Program-2024.pdf), www.nass.usda.gov/Surveys/Program_Review/2024/Livestock-Program-2024.pdf. Beginning with the December 2024 Hogs and Pig report, USDA planned to reduce the number of published states for the December report from 50 states to 16 states. The change now creates a December report that looks similar to the

other quarterly reports. The 16 published states are similar to the 16 published states prior to the change except Kentucky replaces Utah. The 34 non-published states are still published in aggregate.

Reducing the number of states published in December hampers the ability of analysts and researchers to measure impacts for individual states and regions outside the top 16 hog and pig producing states.

Commercial slaughter and price forecasts

Table 2 contains the Iowa State University price forecasts for the next four quarters. Prices are for the Iowa-Minnesota producer sold weighted average carcass base price for all purchase types. Basis forecasts along with lean hog futures prices are used to make cash price projections. The table also contains the projected year-over-year changes in commercial hog slaughter.

Table 2. Commercial hog slaughter projections and price forecasts, 2025.

	Year-over-Year Change In Commercial Hog Slaughter (%)	ISU Model Price Forecast, IA-MN Base Price, All Purchase Types (\$/cwt)	CME Futures (12/23/24) Adjusted for IA-MN Producer Sold Weighted Average Carcass Base Price for All Purchase Types Historical Basis (\$/cwt)
Jan-Mar 2025	0.88	83.71	82-86
Apr-Jun 2025	0.89	92.92	91-95
Jul-Sep 2025	1.54	91.71	90-94
Oct-Dec 2025	1.35	74.48	74-78

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