Agri-News

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Cattle on Feed

Iowa: There were 717,000 cattle on feed for the slaughter market in all feedlots in Iowa on January 1, 2009, up 1 percent from December 1, 2008**,** but down 17 percent from January 1, 2008**.** Feedlots with a capacity greater than 1,000 head had 500,000 head on feed, unchanged from last month but down 12 percent from last year. Feedlots with a capacity less than 1,000 head had 217,000 head on feed, up 5 percent from last month, but down 26 percent from last year.

Placements during December totaled 102,000 head, a decrease of 21 percent from last month and a decrease of 12 percent from last year. Feedlots with a capacity greater than 1,000 head placed 66,000 head, down 28 percent from last month and down 7 percent from last year. Feedlots with a capacity less than 1,000 head placed 36,000 head. This is up 9 percent from last month, but down 20 percent from last year.

Marketings for December were 87,000 head, down 12 percent from both last month and last year. Feedlots with a capacity greater than 1,000 head marketed 64,000 head, down 15 percent from last month and down 7 percent from last year. Feedlots with a capacity less than 1,000 head marketed 23,000 head, down 4 percent from last month and 23 percent from last year. Other disappearance totaled 5,000 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 11.2 million head on January 1, 2009. The inventory was 7 percent below January 1, 2008 and 6 percent below January 1, 2007. The inventory included 7.07 million steers and steer calves, down 8 percent from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 4.10 million head, down 6 percent from 2008.

Placements in feedlots during December totaled 1.65 million, 3 percent below 2007 and 4 percent below 2006. Net placements were 1.57 million head. During December, placements of cattle and calves weighing less than 600 pounds were 425,000, 600-699 pounds were 490,000, 700-799 pounds were 407,000 and 800 pounds and greater were 325,000.

Marketings of fed cattle during December totaled 1.68 million, 2 percent above 2007, and 4 percent above 2006.

Other disappearance totaled 76,000 during December, 31 percent above 2007 but 14 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, December 1, 2008	500	207	707
December Placements	66	36	102
December Marketings	64	23	87
December Other Disappearance	2	3	5
Cattle on Feed, January 1, 2009	500	217	717

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

State	Cattle on Feed January 1			Placements during December			Marketings during December			December Disappearance other than Slaughter [2]		
	2008	2009	'09 as percent of '08	2007	2008	'08 as percent of '07	2007	2008	'08 as percent of '07	2007	2008	'08 as percent 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	368	358	97	26	29	112	24	29	121	1	1	100
CA	560	490	88	67	59	88	60	60	100	2	4	200
CO	1,100	1,000	91	170	150	88	135	155	115	5	5	100
ID	235	220	94	39	36	92	42	39	93	2	2	100
IA	**570**	**500**	**88**	**71**	**66**	**93**	**69**	**64**	**93**	**2**	**2**	**100**
KS	2,480	2,270	92	385	380	99	390	405	104	15	15	100
NE	2,530	2,370	94	355	345	97	335	340	101	10	15	150
NM	160	164	103	26	16	62	13	18	138	2	2	100
OK	350	335	96	44	49	111	37	46	124	2	3	150
SD	230	220	96	50	38	76	33	37	112	2	1	50
TX	2,960	2,790	94	380	405	107	420	405	96	10	20	200
WA	164	157	96	25	28	112	28	38	136	1	2	200
Oth Sts	390	360	92	63	46	73	59	47	80	4	4	100
US	12,097	11,234	93	1,701	1,647	97	1,645	1,683	102	58	76	131

[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.

ANNUAL CROP SUMMARY

IOWA: Corn for grain production during 2008 is estimated at 2.19 billion bushels, up 2 percent from the November 1 forecast, but down 8 percent from 2007. Iowa's producers averaged 171 bushels per acre, down 1 bushel from the November 1 forecast, but equal to last year. Area harvested for grain increased 300,000 acres from the previous forecast to 12.8 million acres, 8 percent below 2007. Corn planted for all purposes in Iowa, at 13.3 million acres, was down 6 percent from 2007.

Corn for silage production is estimated at 4.10 million tons, down 16 percent from 2007. The silage yield estimate of 20.5 per acre is 1 ton per acre higher than last year. Producers harvested 200,000 acres of corn for silage, 50,000 fewer acres harvested than in 2007.

Soybean production is estimated at 445 million bushels in 2008, up 3.22 million bushels from the November 1 forecast, but down 1 percent from 2007. Iowa's producers averaged 46.0 bushels per acre, equal to the November 1 forecast, but 6 bushels lower than last year's yield per acre. The harvested acreage of 9.67 million acres is 12 percent above the 2007 estimate. The planted acreage of soybeans, at 9.75 million acres, is 13 percent above 2007.

All hay production for the state is estimated at 5.33 million tons, up 8 percent from the 4.94 million tons produced in 2007. Producers averaged 3.44 tons per acre. Harvested acres for hay was estimated at 1.55 million acres, up 12 percent from the previous year.

Alfalfa and alfalfa mixtures production is estimated at 4.37 million tons, up 3 percent from 2007. Producers averaged 3.8 tons per acre. Harvested acres increased by 8 percent from last year to 1.15 million acres. Iowa producers seeded 125,000 acres of alfalfa in 2008, equal to the previous year.

Other hay production is estimated at 960,000 tons, 36 percent above the previous year's production. Producers averaged 2.4 tons per acre, up 9 percent from 2007. Harvested acres of other hay increased 80,000 acres from the previous year to 400,000 acres.

January 2008 Production Summary - Iowa and United States

Crop	For Harvest		Yield per acre		Production	
	2007	2008	2007	2008	2007	2008
	Thousand Acres	*Thousand Acres*	*Bushels*	*Bushels*	*Thousand Bushels*	*Thousand Bushels*
IOWA						
Oats for Grain	67	75	71.0	65.0	4,757	4,875
Wheat, All	28	35	48.0	48.0	1,344	1,680
Corn for Grain	13,900	12,800	171.0	171.0	2,376,800	2,188,800
Corn for Silage	250	200	19.5	20.5	4,875	4,100
Soybeans	8,630	9,670	52.0	46.0	448,760	444,820
Hay, all[1]	1,380	1,550	3.58	3.44	4,944	5,330
Alfalfa Hay[1]	1,060	1,150	4.00	3.80	4,240	4,370
All Other Hay[1]	320	400	2.20	2.40	704	960
UNITED STATES						
Oats for Grain	1,504	1,395	60.1	63.5	90,430	88,635
Wheat, All	50,999	55,685	40.2	44.9	2,051,088	2,499,524
Winter	35,938	39,614	41.7	47.2	1,499,241	1,867,903
Corn for Grain	86,520	78,640	150.7	153.9	13,037,875	12,101,238
Corn for Silage	6,060	5,965	17.5	18.7	106,229	111,619
Soybeans	64,146	74,641	41.7	39.6	2,677,117	2,959,174
Hay, all[1]	61,006	60,062	2.41	2.43	146,901	145,672
Alfalfa Hay[1]	21,126	20,980	3.31	3.32	69,880	69,620
All Other Hay[1]	39,880	39,082	1.93	1.95	77,021	76,052

[1] Hay yield is reported in tons per acre and hay production in thousand tons.

Stocks of Grain

Iowa: Corn stocks in all positions on December 1, 2008 totaled 2.02 billion bushels, down 2 percent from December 1, 2007. Of the total stocks, 64 percent were stored on-farm. The September - November 2008 indicated disappearance totaled 582 million bushels, 14 percent below the 676 million bushels used last year.

Soybeans stored in all positions on December 1, 2008 totaled 410 million bushels, down 12 percent from the 468 million bushels on hand December 1, 2007. Of the total stocks, 49 percent were stored on-farm. Indicated disappearance for the September - December 2008 is 92 million bushels, 26 percent below the 125 million bushels used last year.

Oat stocks stored in all positions on December 1, 2008 totaled 8.08 million bushels, 3 percent below the 8.35 million bushels on hand December 1, 2007. Of the total stocks 25 percent were stored on-farm. The September – November 2008 indicated disappearance is 1.59 million bushels.

Stocks of Grain, December 1, Iowa and United States

Position and Grain	Iowa			United States		
	December 1 2007	December 1 2008	'08 as % of '07	December 1 2007	December 1 2008	'08 as % of '07
	1,000 Bushels	*1,000 Bushels*	*Percent*	*1,000 Bushels*	*1,000 Bushels*	*Percent*
On-Farm Stocks						
Corn	1,350,000	1,300,000	96	6,530,000	6,482,000	99
Soybeans	215,000	200,000	93	1,128,500	1,189,000	105
Oats	1,800	2,000	111	43,100	42,600	99
Wheat	*	*	*	289,540	454,000	157
Off-Farm Stocks [1]						
Corn	707,420	721,317	102	3,748,085	3,602,467	96
Soybeans	252,997	209,795	83	1,231,860	1,086,593	88
Oats	6,551	6,082	93	51,331	72,278	141
Wheat	2,040	1,749	86	842,398	968,224	115
Total Stocks						
Corn	2,057,420	2,021,317	98	10,278,085	10,084,467	98
Soybeans	467,997	409,795	88	2,360,360	2,275,593	96
Oats	8,351	8,082	97	94,431	114,878	122
Wheat	*	*	*	1,131,938	1,422,224	126

[1] Includes stocks at mills, elevators, warehouses, terminals, and processors.
* Data not published to avoid disclosure of individual operations.

ECONOMIST CORNER

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

The cattle industry took its lumps in the last quarter of 2008, and the prospect of continued dismal profitability continues to pull back the reins on production. Cattle on feed numbers have been down 7 percent for the past two months, beef cow numbers are down 2 percent from a year ago and heifer retention is down 2 percent. At the same time, cow slaughter volumes have started the year slightly higher than a year ago and up about 14 percent from the five year average. The national beef cow inventory has reached its lowest level since 1963 and the inventory of all cattle types is at a 49 year low. With continued high volumes of cull cow slaughter and lower heifer retention the domestic capacity to produce fed cattle will continue to decline for the next several years. Fewer supplies would normally be an easy push for higher prices; however changes in consumer spending and uncertainty in the economy will sap some of the potential for higher prices.

Hog producers continue to sustain losses, but conditions have improved as lean hog prices have returned to the high $50's/cwt. Expectations are that hog prices will continue to climb into the summer months. With the declining supply of both pork and finished beef, the hog market will moving into a bullish period. It may take a few months before hog finishers return to profitability, but some black ink is still expected during the summer months. As with all commodities these days, the condition of the economy will continue to impact consumer spending. Consumers are expected to continue to support pork and ground beef that are generally cheaper than finished whole cut beef.

The January USDA reports showed demand weakness continuing across the crop sector. USDA has reduced demand for feed, fuel, and export. The reduction in corn demand from ethanol coincides with the shutdown of several ethanol plants. Despite the shutdowns, the ethanol industry has continued to grow year over year. For 2008, production exceeded 8.3 billion gallons from January to November, putting production on pace to exceed 9 billion gallons for the year. The biodiesel industry has also boosted production throughout 2008. Over the first 10 months of 2008, 572 million gallons of biodiesel were produced and the industry showed its flexibility in using a variety of feedstocks.

Over the past three months, USDA has been revising corn exports downward and soybean exports upward. For corn, the export picture has weakened due to the dollar and increased availability of feed wheat. So far, corn exports are off 41 percent from a year ago. For soybeans, the strength showing up in the export market can be attributed to one key player. Soybean exports to China are up over 100 million bushels so far this marketing year. In fact, China currently represents 60 percent of our soybean export market.

Two big factors that will influence the export outlook are the movements in the dollar and the crop production coming out of South America. The dollar is expected to continue strengthening against most major currencies, but there are a couple of key exceptions, Japan and China. And as these countries are our top export markets for corn and soybeans, that's good news. The recent news about South American crop production has also supportive of U.S. crop exports and crop prices. Drought conditions have hampered crop production in southern Brazil, Paraguay, and northern Argentina. Estimates from the Buenos Aires Cereal Exchange put corn production down 35 to 41 percent and soybean production down 17 to 25 percent. If the estimates from the Cereal Exchange hold up, then U.S. crops have an opportunity to fill in some export markets that normally would target South American production.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Jan [1] 2008	IOWA Dec [1] 2008	IOWA Jan [2] 2009	U.S. Dec [1] 2008	U.S. Jan [2] 2009
		---------------	Dollars	---------------		
Corn	Bu	3.97	4.20	4.25	4.10	4.15
Oats	Bu	2.71	3.35	3.00	3.10	2.30
Soybeans	Bu	10.10	9.54	10.30	9.24	9.92
Alfalfa, baled	Ton	125.00	137.00	139.00	155.00	149.00
All Hay, baled	Ton	121.00	133.00	130.00	141.00	136.00
Hogs, all	Cwt	39.60	42.50	43.00	41.90	41.90
Sows	Cwt	19.00	41.80	43.60	43.40	44.10
Brw & Gilts	Cwt	40.00	42.50	43.00	41.90	41.80
Beef Cattle	Cwt	88.80	86.10	87.10	79.80	80.50
Cows	Cwt	48.00	40.00	43.00	40.40	42.20
Strs & Hfrs	Cwt	89.60	87.00	88.00	85.60	86.30
Calves	Cwt	104.00	91.00	101.00	100.00	105.00
Milk Cows [3]	Hd	1,950.00	-	1,650.00	-	1,630.00
Milk (whls)	Cwt	20.80	16.00	15.00	15.60	13.80
Sheep	Cwt	30.00	25.00	-	31.70	-
Lambs	Cwt	88.00	97.50	-	100.00	-
Eggs (mkt)	Doz	1.170	0.829	0.865	0.860	0.896

[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 Jan 2008	IOWA Dec 2008	IOWA Jan [1] 2009	UNITED STATES Jan 2008	UNITED STATES Dec 2008	UNITED STATES Jan [1] 2009
			1990-92=100 [2]			
Prices rec'd	195	142	172	144	135	137
Crops	177	181	187	158	149	157
Oil Bearing	179	171	185	178	172	178
Feed Grains	176	186	189	173	180	180
Lvstk	213	105	157	129	119	115
Meat Anim	95	97	98	111	104	105
Poult & Eggs	238	168	176	148	148	149
			1910-14=100 [3]			
Prices rec'd	-	-	-	915	856	872
Crops	-	-	-	785	738	779
Oil Bearing	-	-	-	974	942	974
Feed Grains	-	-	-	619	640	642
Lvstk	-	-	-	986	913	884
Meat Anim	-	-	-	1,129	1,059	1,074
Poult & Eggs	-	-	-	416	416	419

[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	Jan 2008	Dec 2008	Jan 2009	Jan 2008	Dec 2008	Jan 2009
	1990-92=100			1910-14=100		
Prices Paid [1]	169	175	175	2,249	2,327	2,331
Feed	168	169	164	820	824	800
Fertilizer	275	391	358	1,007	1,435	1,311
Fuels	307	208	202	2,369	1,603	1,560
Chemicals	133	149	151	820	922	934
Lvstk/Poultry	123	115	120	1,567	1,471	1,539
Ratio [2]	85	77	78	-	-	-
Parity Ratio [3]	-	-	-	41	37	37

[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

Milk production in Iowa in December 2008 totaled 363 million pounds, up 1.4 percent from December 2007. The average number of milk cows, 215,000 head, was unchanged from December 2007. Production per cow averaged 1,690 pounds, up 25 pounds from last year.

Milk Cows and Production: By Selected States, December 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	1,580	1,580	163	161	-1.2
IN	166	167	1,705	1,650	283	276	-2.5
IA	**215**	**215**	**1,665**	**1,690**	**358**	**363**	**1.4**
KS	109	121	1,650	1,785	180	216	20.0
MI	344	353	1,895	1,820	652	642	-1.5
MN	463	465	1,580	1,610	732	749	2.3
MO	110	109	1,210	1,270	133	138	3.8
OH	278	276	1,500	1,510	417	417	
WI	1,250	1,255	1,600	1,630	2,000	2,046	2.3
23-State Total [3]	8,389	8,479	1,718	1,726	14,414	14,633	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 December 2008 was 1.22 billion eggs, up slightly from December 2007. The total number of layers on hand during December 2008 was 53.5 million, down from 54.0 million layers in December 2007. Eggs per 100 layers for the month of December was 2,287, up from 2,245 eggs the previous year.

All Layers and Egg Production, December 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	23,613	23,552	24,351	24,271	2,308	2,307	562	560	549	547	13	13
IA	53,082	52,618	53,984	53,470	2,245	2,287	1,212	1,223	1,197	1,209	15	14
MN	9,782	9,554	10,232	10,041	2,375	2,330	243	234	235	225	8	9
NE	10,171	9,685	10,246	9,760	2,381	2,398	244	234	244	234	0	0
NC	4,965	5,373	12,566	12,540	2,109	2,113	265	265	123	132	142	133
OH	26,228	26,996	26,825	27,556	2,345	2,384	629	657				
29 Sts[4]	265,034	264,525	321,496	317,626	2,260	2,286	7,266	7,262	6,268	6,324	997	938
US	280,219	279,650	344,965	340,957	2,256	2,281	7,784	7,778	6,654	6,712	1,129	1,067

[1] 2009 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.

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