



# Agri-News

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## 2009 Meat Animal Production and Value

**Iowa:** The 2009 gross income from cattle and calves, hogs and pigs, and sheep and lambs for Iowa totaled \$6.93 billion, down from \$7.68 billion in 2008. Gross income decreased 14.3 percent for cattle and calves, 6.95 percent for hogs and pigs, and 22.4 percent for sheep and lambs.

**United States:** The 2009 gross income from cattle and calves, hogs and pigs, and sheep and lambs for the U.S. totaled \$59.0 billion, down 10 percent from 2008. Gross income decreased for cattle and calves, hogs and pigs, and sheep and lambs. Cattle and calves decreased 10 percent, hogs and pigs also decreased 10 percent, while sheep and lambs decreased 3 percent.

Total 2009 cash receipts from marketings of meat animals decreased 10 percent to \$58.6 billion. Cattle and calves accounted for 75 percent of this

total, hogs and pigs 24 percent, and sheep and lambs 1 percent. Production decreased for all cattle and calves, hogs and pigs, and sheep and lambs.

**Cattle and Calves:** Cash receipts from marketings of cattle and calves decreased 10 percent from \$48.5 billion in 2008 to \$43.8 in 2009. All cattle and calf marketings totaled 54.1 billion pounds in 2009, down 1 percent from 2008.

**Hogs and Pigs:** Cash receipts from hogs and pigs totaled \$14.4 billion during 2009, down 10 percent from 2008. Marketings totaled 32.7 billion pounds in 2009, up slightly from 2008.

**Sheep and Lambs:** Cash receipts from marketings of sheep and lambs in 2009 were \$436 million, down 3 percent from 2008. Marketings decreased 6 percent to 494 million pounds.

## 2009 Meat Animals Production and Value

	Cattle and Calves			Hogs and Pigs			Sheep and Lambs		
	Production	Value per Head	Value of Production	Production	Value per Head	Value of Production	Production	Value per Head	Value of Production
	1,000 lbs.	Dollars	\$1,000	1,000 lbs.	Dollars	\$1,000	1,000 lbs.	Dollars	\$1,000
California	1,919,081	930	1,111,796	53,886	110	18,979	36,334	134	29,162
Colorado	1,803,820	880	1,586,292	268,688	88	129,681	62,387	128	47,480
Illinois	501,470	880	421,593	1,840,656	83	908,335	3,887	212	3,013
<b>Iowa</b>	<b>1,786,596</b>	<b>860</b>	<b>1,436,961</b>	<b>9,623,124</b>	<b>86</b>	<b>3,585,441</b>	<b>23,048</b>	<b>142</b>	<b>21,296</b>
Kansas	3,915,772	800	2,964,814	915,237	75	326,925	6,258	131	5,363
Minnesota	1,108,160	1,020	800,217	3,476,675	97	1,420,587	14,527	128	13,729
Nebraska	4,597,667	870	3,733,330	1,368,535	89	629,840	7,823	132	7,046
North Carolina	312,124	720	205,617	4,099,445	70	1,836,124	1,170	159	936
Oklahoma	1,983,903	750	1,746,563	1,265,851	79	473,680	3,731	156	2,975
Texas	6,923,911	770	5,481,429	303,688	69	115,156	34,673	101	31,992
Wyoming	467,134	910	399,522	122,787	93	50,231	36,681	130	32,119
United States	40,919,268	872	31,769,067	31,131,408	83	12,762,128	413,106	133	356,660

## 2009 Milk Production and Value

**Iowa:** Milk production totaled 4.38 billion pounds for 2009, up from 4.32 in 2008. The average number of milk cows was 215,000 head, down one thousand head from a year earlier. Production per cow was 20,367 pounds, up 372 pounds from 2008. The value of milk produced decreased to \$578 million from the 2008 value of \$799 million.

**United States:** Milk production decreased 0.3 percent in 2009 to 189 billion pounds. The rate per cow, at 20,576 pounds, was 181 pounds above 2008. The annual average number of milk cows on farms was 9.20 million head, down 114,000 head from 2008.

Cash receipts from marketings of milk during 2009 totaled \$24.3 billion, 30.1 percent lower than 2008. Producer returns averaged \$12.93 per hundredweight, 29.9 percent below 2008. Marketings totaled 188 billion pounds, 0.3 percent below 2008. Marketings include whole milk sold to plants and dealers and milk sold directly to consumers.

An estimated 1.01 billion pounds of milk were used on farms where produced, 5.1 percent less than 2008. Calves were fed 89 percent of this milk, with the remainder consumed in producer households.

### Milk Cows, Production, and Value of Production, 2008-2009

[2008 numbers are revised]

State	Milk Cows <sup>1</sup>		Milk Per Cow <sup>2</sup>		Milk Production <sup>2</sup>		Value of Milk Produced <sup>3 4</sup>	
	2008	2009	2008	2009	2008	2009	2008	2009
	<i>Thousands</i>	<i>Thousands</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Million Pounds</i>	<i>Million Pounds</i>	<i>1,000 Dollars</i>	<i>1,000 Dollars</i>
California	1,844	1,796	22,344	22,000	41,203	39,512	6,930,345	4,539,929
Idaho	549	550	22,432	22,091	12,315	12,150	2,105,865	1,433,700
<b>Iowa</b>	<b>216</b>	<b>215</b>	<b>19,995</b>	<b>20,367</b>	<b>4,319</b>	<b>4,379</b>	<b>799,015</b>	<b>578,028</b>
Michigan	350	355	22,180	22,445	7,763	7,968	1,490,496	1,067,712
Minnesota	464	469	18,927	19,230	8,782	9,019	1,677,362	1,208,546
New Mexico	338	325	23,269	24,320	7,865	7,904	1,376,375	956,384
New York	626	619	19,859	20,071	12,432	12,424	2,386,944	1,689,664
Ohio	280	277	18,321	18,744	5,130	5,192	1,010,610	1,519,344
Pennsylvania	549	545	19,262	19,360	10,575	10,551	2,115,000	732,072
Texas	418	423	20,134	20,898	8,416	8,840	1,573,792	1,175,720
Washington	244	240	23,344	23,171	5,696	5,561	1,002,496	684,003
Wisconsin	1,252	1,257	19,546	18,811	24,472	25,239	4,625,208	3,306,309
United States	9,315	9,201	20,395	20,576	189,982	189,320	35,050,757	24,477,390

<sup>1</sup> Average number during year. Excludes heifers not yet fresh. <sup>2</sup> Excludes milk sucked by calves. <sup>3</sup> Value at average returns per 100 pounds of milk in combined marketings of milk and cream. <sup>4</sup> Includes value of milk fed to calves.



## Chickens: Production and Income, Iowa

Year	Pounds Sold	Price per Pound	Value Of Sales
	<i>1,000 pounds</i>	<i>Dollars</i>	<i>1,000 dollars</i>
1999	38,729	0.011	426
2005	34,112	0.003	102
2006	32,708	0.003	98
2007	18,594	0.005	93
2008	21,457	0.005	107
2009	22,515	0.005	113

## Eggs: Production and Income, Iowa

Year	Eggs Produced	Price per Dozen	Value of Sales
	<i>Million eggs</i>	<i>Cents</i>	<i>1,000 dollars</i>
1999	6,942	38.0	219,393
2005	12,978	31.0	335,318
2006	13,811	35.4	406,865
2007	13,868	71.4	824,806
2008	14,407	93.1	1,117,850
2009	14,475	62.7	755,830

## Dairy Products: Quantity Manufactured by Month, Iowa

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
	<i>1,000 pounds</i>												
<b>Total Cheese (Excluding Cottage Cheese)</b>													
1999	20,904	20,009	23,852	22,654	21,355	22,458	21,032	20,586	21,605	22,342	22,048	20,876	259,721
2005	12,812	11,826	13,236	13,018	13,581	12,890	12,285	12,813	11,979	12,113	12,654	13,420	152,627
2006	13,312	12,454	13,542	13,148	13,841	13,043	12,348	11,622	10,778	11,401	10,808	11,843	148,140
2007	12,193	11,348	12,342	11,723	12,204	11,349	11,753	12,175	12,208	13,039	13,357	13,550	147,241
2008	14,217	13,561	14,142	13,660	14,234	13,397	13,859	13,446	13,224	13,628	14,240	15,843	167,451
2009	15,758	14,607	17,119	18,965	18,803	19,123	18,414	17,844	18,675	20,246	19,361	20,998	219,913
<b>Cottage Cheese Curd</b>													
1999	906	992	1,100	1,129	1,154	1,137	1,305	1,506	1,318	1,291	1,362	1,214	14,414
2005	1,917	1,663	1,823	1,784	1,947	2,016	2,144	2,020	2,286	1,896	1,832	1,925	23,253
2006	2,122	1,961	2,413	2,069	2,363	2,375	2,185	2,576	2,248	2,252	2,264	1,968	26,796
2007	2,250	2,252	2,389	2,442	2,553	2,515	2,299	2,222	2,992	1,843	1,853	1,855	27,465
2008	1,992	1,882	2,336	2,080	2,125	1,358	1,174	1,076	1,335	1,166	1,023	1,080	18,627
2009 <sup>1</sup>													
<b>Total American-Type Cheese</b>													
1999	10,190	9,670	10,939	10,454	10,439	10,250	9,530	9,778	10,115	10,172	9,831	11,058	122,466
2005 <sup>1</sup>													
2006 <sup>1</sup>													
2007	9,708	8,992	9,689	9,041	9,755	9,186	10,049	10,240	9,929	10,665	10,799	11,139	119,192
2008	11,447	11,023	11,320	11,052	11,624	10,862	11,472	10,944	11,129	11,281	11,638	12,949	136,741
2009	12,926	11,655	13,339	14,359	14,461	15,011	14,713	13,814	14,357	16,449	15,348	16,306	172,738
<b>Creamed Cottage Cheese</b>													
1999	822	934	1,013	1,050	1,059	1,080	1,268	1,369	1,264	1,229	1,260	1,106	13,424
2005	1,442	1,375	1,549	1,467	1,689	1,644	1,667	1,601	1,829	1,582	1,523	1,500	18,868
2006	1,636	1,505	1,909	1,583	1,918	1,849	1,658	1,963	1,708	1,674	1,754	1,523	20,680
2007	1,632	1,643	1,740	1,841	1,902	1,852	1,815	1,206	1,571	823	852	957	17,834
2008 <sup>1</sup>													
2009 <sup>1</sup>													

<sup>1</sup> Data not published to avoid disclosure of individual operations.

## May Econ Corner

Shane Ellis, ISU Extension Livestock Economist & Chad Hart, ISU Extension Grain Marketing Specialist

In April, fed cattle prices passed the \$100/cwt for the first time since July 2008. Since that time prices have remained in the upper \$90's/cwt. Stronger beef demand and tighter cattle supplies have given cattle feeders their first significant profits in nearly five years. Based on the ISU Estimated Returns March was the first month cattle were sold for a profit (\$77/hd) since July of 2009. April profits are estimated to be \$159/hd, the first triple digit profits since mid-2004. Profitability continues to look good for May and June. Although fed cattle prices are expected to remain in the mid to upper \$90/cwt for the duration of the year, profitability in the feeding sector will be diminished somewhat as the price of feeder cattle has increased along with fed cattle prices. There are fewer feeder animals available and with a return to profitability, competition to acquire those cattle has driven prices higher. The spread between recent fed and feeder cattle prices has remained very consistent with the spread of the last year, but tighter than the five year average.

Iowa hog prices have been on a steady increase for the past month reaching a peak of \$88/cwt average weight hog price in the last week of April. If the seasonal trend holds true, lean hog prices will remain near or above \$80/cwt for most of the summer. The ISU Estimated Returns suggest hogs marketed in April netted \$29 profit, the most profitable month since September 2006. Based on current profit projection, hog producer will continue to enjoy profitability for the rest of the year. If current futures prices for corn, SBM, and hogs are correct the projected profits for 2010 could offset 80 percent of the losses sustained in 2009. The drawback of such a rapid return to profitability is the temptation to ramp up production. Again, the excellent prices we are now seeing is a result of tight supplies, steady domestic demand and robust exports. The time to utilize vacant production capacity will come, but hopefully the industry can continue to withhold.

Mother Nature has provided quite a reversal in fortunes. A couple of months ago there were serious concerns about soggy conditions limiting planting opportunities. Now we're staring at record progress in corn planting. Nationally, half of the corn crop is planted, which is 30 percent ahead of last year at this time and 28 percent ahead of the 5-year average. Iowa is at 68 percent, 27 percentage points ahead of last year and 45 percentage points ahead of the 5-year average. Illinois is at 73 percent, Indiana is at 56, and Minnesota is at 63 percent. Soybean planting is also getting a jump start. While USDA hasn't released any national numbers, several states have started reporting on soybeans. As with corn, most states are proceeding with planting as a pace faster than the 5-year average. Iowa has 4 percent of its soybeans planted. Illinois is at 5 percent. Indiana is already at 12 percent. North Dakota is reporting that 2 percent of its soybean area is planted as well. Only Louisiana is behind the 5-year average. The rapid planting progress, in combination with the projected increases in corn and soybean acres, has been weighing down on the markets over the past month as traders expect larger supplies come this fall.

With the current outlook of another large set of corn and soybean crops, focus is shifting back to the demand side of the equation. Corn demand through ethanol continues to grow, but the pace is expected to slow. Ethanol production surged over the winter and ethanol stocks have built up. These stocks have pressured ethanol prices lower, even as gasoline prices have increased over the last couple of months. Estimates as of mid-April had corn feed demand running 200 million bushels above last year, at 5.45 billion bushels. This slippage in corn feed demand over the last couple of years, is due to a combination of lower livestock numbers and higher usage of distillers grains in feed rations. As distillers grains have grown in importance as both a feed source for livestock and a revenue stream for ethanol plants, interest has grown in risk management tools for distillers grains such as the new CME Group distillers grains futures contracts.