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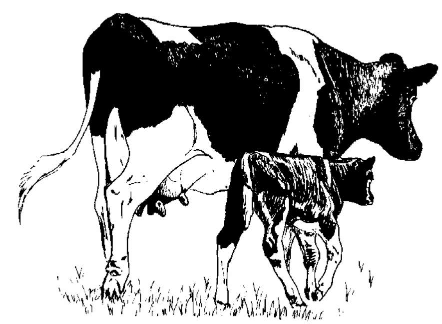

January 1 Cattle Inventory

Iowa: All cattle and calves in Iowa as of January 1, 2005 totaled 3.60 million head, 4 percent above the 3.45 million head on January 1, 2004. Beef cows, at 1,013,000 head, were 3 percent above last year. Milk cows, at 187,000 head, were 5 percent below last year.

Overall heifer numbers were down 1 percent from last year at 800,000 head. Heifers for beef cow replacement were down 4 percent to 120,000 head; heifers for milk cow replacement at 100,000 head were 5 percent above the previous year; and all other heifers were down 10,000 head from last year at 580,000 head.

Steers weighing 500 pounds and over were up 9 percent from last year at 1,020,000 head. Bulls weighing 500 pounds and over were unchanged from a year ago at 70,000 head. Calves under 500 pounds on January 1 totaled 510,000 head, up 13 percent from last year at 450,000 head.

The 2004 calf crop was estimated at 1.10 million head, down 2 percent from the 1.12 million born in 2003. Cattle and calves on feed for slaughter in all feedlots on January 1 was 920,000 head, down 3 percent from one year ago.

All Cattle and Calves: Number by Class and Calf Crop, Iowa and United States, January 1, 2004-2005

Class	Iowa			United States		
	2004	2005	2005 as % of 2004	2004	2005	2005 as % of 2004
	Thousand head		Percent	Thousand head		Percent
ALL CATTLE AND CALVES	3,450	3,600	104	94,888	95,848	101
Cows and heifers that have calved	1,180	1,200	102	41,851	42,060	101
Beef cows	984	1,013	103	32,861	33,055	101
Milk cows	196	187	95	8,990	9,005	100
Heifers 500 lbs. & over	810	800	99	19,345	19,673	102
For beef cow replacement	125	120	96	5,518	5,746	104
For milk cow replacement	95	100	105	4,020	4,133	103
Other heifers	590	580	98	9,806	9,793	100
Steers 500 lbs. & over	940	1,020	109	16,277	16,511	101
Bulls 500 lbs. & over	70	70	100	2,206	2,219	101
Calves under 500 lbs.	450	510	113	15,210	15,385	101
Calf crop [1]	1,120	1,100	98	37,903	37,625	99
Total Number on Feed [2]	950	920	97	13,813	13,749	100

[1] Calf crop is all calves born during the previous year including calves still on farms, sold, slaughtered or died. [2] 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. Cattle and calves on feed are included in the cattle inventory estimates by classes.

ECONOMIST CORNER

Livestock by John Lawrence
and

Grains by Robert Wisner
Iowa Cooperative Extension Service - Ames

LIVESTOCK

The USDA releases two cattle inventories each year, and the recent January inventory says that cattle numbers are up. Total cattle numbers have increased 1% in the past year, with beef cow numbers up (0.6%) 194 thousand head at just over 33 million. The number of beef replacement heifers is also up 4.1% from January 2004, foretelling a continued expansion in beef cowherds. The estimated returns to cow-calf producers over the past two years are the highest they have been in recent decades. The predicted 2005 returns are down slightly from last year but suggest strong profits, and producers appear optimistic about continued profitability in coming years. Cattle on feed are down 0.5% from a year ago at 13.75 million head. Feeder cattle supplies are up 1.7% from a year ago at 28 million, second only to last year as the lowest supply in recent decades. The restored importation of live cattle from Canada in the coming months would add to the supply of both feeder and fed cattle, softening the price of both classes.

In the hog industry, pork production remains steady to slightly lower. 2004 was a profitable year for both hog producers and packers. The strong demand from both exports and the domestic market held prices strong. Domestic pork demand was up 2.8% in 2004, the strongest it has been since 1998. Pork exports were up over 33.7%, with the largest percent increases in trade to Mexico, Taiwan, and Russia Federation. Last year, Mexico imported more pork product than Japan. Both countries imported more than 300,000 metric tons of pork product with Japan buying mostly pork cuts and Mexico buying a high percentage of variety meats. There has been some indication that domestic demand was softening in the last quarter of 2004, but trade exports are likely to deliver continued support to the market.

GRAIN

During the month of January, March 2005 corn futures drifted downward by 6.5 cents per bushel. At the same time, cash prices held about steady as the basis strengthened slightly. Factors behind the weakness included an extended period of disappointing export sales, and slow disappearance of large piles of corn stored outside. Also, there has been concern that Asian rust may cause farmers to shift part of their soybean acreage to corn. Cumulative U.S. corn export sales through January 20 (almost 40% of the way through the marketing year) are down 9% from a year earlier. Official projections call for a 3% increase for the marketing year. That plus indications that feed use in the last quarter increased at less than half the percentage rate of official projections is causing trade analysts to expect higher August 31, 2005 corn carryover stocks than currently projected. Cash corn prices have a strong tendency toward seasonal strength in April and May. Modest strength appears likely again this year, but lagging demand will temper the increase.

Soybean prices will take direction from changing South American crop estimates. At the end of January, most reports showed minimal Asian rust damage and prospects for a large increase from last year in production. Barring a change in South American prospects, soybean prices may remain weak through late February. Like corn, cash soybean markets have a strong tendency toward strength in April and early May. The extent of strength will be influenced by the March 31 Planting Intentions Report.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Jan.[1] 2004	IOWA Dec.[1] 2004	IOWA Jan.[2] 2005	U.S. Dec.[1] 2004	U.S. Jan.[2] 2005
		Dollars				
Corn	bu	2.33	1.99	1.95	2.04	1.98
Oats	bu	1.62	1.69	1.65	1.56	1.51
Soybeans	bu	7.62	5.32	5.15	5.45	5.32
Alfalfa, Baled	ton	87.00	85.00	93.00	92.40	90.90
All Hay, Baled	ton	86.00	82.00	91.00	84.30	84.20
All Hogs	cwt	34.40	54.10	55.30	52.30	53.00
Sows	cwt	29.60	46.20	49.70	44.60	45.70
Brws & Gilts	cwt	34.50	54.20	55.40	52.60	53.30
Beef Cattle	cwt	89.70	90.90	95.10	86.80	89.10
Cows	cwt	44.70	47.30	50.90	48.70	50.00
Strs & Hfrs	cwt	90.60	91.80	96.00	91.80	94.20
Calves	cwt	106.00	118.00	119.00	122.00	123.00
Milk Cows 3/	hd	1,400	--	1,560	--	1,620
Milk (whls)	cwt	13.40	16.80	16.20	16.40	15.90
Sheep	cwt	45.20	44.80	--	44.80	--
Lambs	cwt	90.20	95.00	--	102.00	--
Eggs (mkt)	doz	0.76	0.40	0.35	0.49	0.37

[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.

Price Index Summary Table

Prices Received	IOWA Jan. 2004	IOWA Dec. 2004	IOWA Jan.[1] 2005	UNITED STATES Jan. 2004	UNITED STATES Dec. 2004	UNITED STATES Jan.[1] 2005
			1990-92=100[2]			
Prices rec'd.	116	107	97	112	111	110
Crops	118	92	90	113	103	100
Lvstk Prods.	114	122	104	110	120	121
			1910-14=100[3]			
Prices rec'd.	--	--	--	709	705	700
Crops	--	--	--	559	510	493
Lvstk Prods.	--	--	--	842	919	929

[1] Preliminary. [2] 1990-92=100 reference replaced 1977=100 in January 1995. [3] Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Jan. 2004	Dec. 2004	Jan. 2005	Jan. 2004	Dec. 2004	Jan. 2005
	1990-92=100			1910-14=100		
Prices paid[1]	130	133	134	1735	1773	1783
Feed	117	102	101	573	497	495
Ratio[2]	86	83	82	41	40	39

[1]Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. [2]Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

All Layers and Egg Production, December 2003 and 2004[1]

State	Table Egg Layers in Flocks 30,000 and Above		All layers on hand[2]		Eggs per 100 layers[2]		Egg production by type: Total production		Table eggs[3]		Hatching eggs[3]	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	Thousands				Number		Million eggs					
AL	2,067	1,850	9,418	9,255	1,932	1,945	182	180	50	43	132	137
AR	4,263	4,508	14,522	14,796	1,914	1,953	278	289	100	109	178	180
CA	20,370	20,037	20,899	20,524	2,244	2,290	469	470				
FL	10,470	10,216	10,989	10,657	2,321	2,308	255	246	244	239	11	7
GA	11,531	10,991	20,672	20,023	2,095	2,177	433	436	263	265	170	171
IN	22,686	22,542	23,427	23,287	2,275	2,280	533	531	521	518	12	13
IA	**39,875**	**46,488**	**40,556**	**47,225**	**2,293**	**2,211**	**930**	**1,044**				
MN	10,568	10,520	11,149	11,093	2,233	2,254	249	250	240	242	9	8
NE	11,668	11,925	11,743	12,000	2,282	2,267	268	272	268	272	0	0
NC	3,404	3,370	10,775	10,934	2,005	1,994	216	218	84	82	132	136
OH	27,837	27,371	28,276	27,839	2,309	2,324	653	647				
PA	21,743	22,174	23,504	23,920	2,314	2,379	544	569	528	552	16	17
TX	14,185	13,841	18,473	18,293	2,236	2,296	413	420				
U.S.	275,052	280,234	338,243	344,533	2,223	2,235	7,520	7,699	6,466	6,619	1,055	1,080

[1]2004 preliminary, 2003 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.

January 1 Sheep Inventory

Iowa: All sheep and lambs inventory at 245,000 head is down 5,000 head from last year. Total breeding stock at 175,000 head decreased by three percent from a year ago. Compared to last year, market sheep and lambs remained at 70,000 head, while the lamb crop decreased two percent to 215,000 head.

United States: All sheep and lamb inventory in the United States on January 1, 2005, totaled 6.14 million head, up slightly from 2004, but 3 percent below two years ago. The inventory has leveled off and is showing a slight increase for the first time since 1990.

Breeding sheep inventory increased to 4.53 million head on January 1, 2005, up 1 percent from 4.50 million head on January 1, 2004. Ewes one year old and older, at 3.57 million head, were 1 percent below last year.

Market sheep and lambs on January 1, 2005, totaled 1.60 million head, down slightly from January 1, 2004. Market lambs comprised 95 percent of the total marketings. Twenty-six percent were lambs under 65 pounds, 13 percent were 65 - 84 pounds, 24 percent were 85 - 105 pounds, 32 percent were over 105 pounds, and 5 percent were market sheep.

The 2004 lamb crop of 4.10 million head, a record low, was down 1 percent from 2003. The 2004 lambing rate was 113 lambs per 100 ewes one year old and older on January 1, 2004, up 3 percent from 2003.

Shorn wool production in the United States during 2004 was 37.6 million pounds, down 2 percent from 2003. Sheep and lambs shorn totaled 5.07 million head, down slightly from 2003. The average price paid for wool sold in 2004 was $0.80 per pound for a total value of $29.9 million dollars, up 6 percent from $28.1 million dollars in 2003.

All Sheep and Lambs: Number by Class
Iowa and United States, January 1, 2004-2005

Class	Iowa 2004	Iowa 2005	Iowa 2005 as % of 2004	United States 2004	United States 2005	United States 2005 as % of 2004
	Thousand head		Percent	Thousand head		Percent
ALL SHEEP AND LAMBS	250	245	98	6,105.0	6,135.0	100
Total Breeding Sheep	180	175	97	4,499.0	4,533.0	101
Ewes	147	142	97	3,609.5	3,572.5	99
Rams	7	7	100	188.0	190.0	101
Replacement Lambs	26	26	100	701.5	770.5	110
Total Market	70	70	100	1,606.0	1,602.0	100
Lamb Crop[1]	220	215	98	4,140.0	4,096.0	99

[1] Lamb crop is whole-year data for 2003 and 2004 with 2004 as percent of 2003.

Wool: Number of Sheep and Lambs Shorn, Weight per Fleece, and Production by Selected States, and United States, 2003-2004

State	Sheep Shorn		Weight per Fleece		Production	
	2003	2004	2003	2004	2003	2004
	1,000 Head		Pounds		1,000 Pounds	
AZ	102.0	90.0	6.1	6.4	620	580
CA	500.0	480.0	7.0	7.1	3,500	3,400
CO	360.0	390.0	7.2	6.6	2,580	2,570
ID	217.0	225.0	9.7	9.4	2,115	2,125
IA	**240.0**	**230.0**	**6.0**	**6.0**	**1,450**	**1,370**
MN	140.0	140.0	6.8	6.5	950	910
MT	272.0	267.0	9.5	9.3	2,597	2,472
NM	160.0	140.0	7.8	7.3	1,240	1,020
ND	75.0	82.0	8.7	9.1	650	745
OH	144.0	140.0	6.4	6.5	920	903
OR	178.0	173.0	6.8	6.3	1,210	1,090
SD	330.0	345.0	8.0	7.6	2,625	2,610
TX	800.0	810.0	7.0	6.9	5,600	5,600
UT	240.0	245.0	9.3	9.2	2,230	2,250
WY	390.0	390.0	9.4	9.3	3,650	3,640
U.S.	5,074.0	5,073.0	7.5	7.4	38,299	37,622

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