

KENTUCKY AGRI-NEWS



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Published twice monthly

Volume No. 23 Issue No. 15
Released: August 2, 2004

FEATURING: ▶ AGRICULTURAL PRICES ▶ CATTLE & SHEEP ▶ CHICKEN & EGGS ▶ SLAUGHTER
▶ COLD STORAGE ▶ MILK PRODUCTION ▶ CATFISH ▶ CATTLE ON FEED

KENTUCKY LIVESTOCK PRICES STRONG

Prices received by **Kentucky** farmers were up for cattle and winter wheat, strong for hogs while down for corn and soybeans.

Cattle and calf prices for mid-July continued to be above those of the previous month. **Steers and heifers** 500 lbs. and over averaged \$105.00 per cwt. for mid-July. This price was up \$2.00 from June and \$22.00 from July 2003. Steers and heifers continue to set record prices. **Beef cow** prices averaged \$54.00 per cwt. The mid-month price was \$2.00 higher than a month earlier and \$11.00 higher than a year earlier. Beef cow prices were the second highest on record. The record price of \$55.10 per cwt. was established May, 1979. Calf prices continued to increase and set record highs. **Calves** less than 500 lbs. averaged \$121.00 per cwt. for mid-July, up \$3.00 from June and \$29.00 from July 2003.

Prices for hogs continued to be steady. **Barrows and gilts** for mid-July averaged \$56.00 per cwt., unchanged from the previous month while up \$13.00 from July 2003. **Sows** averaged \$49.00 per cwt., up \$3.00 from June 2004 and \$16.00 from July 2003. This was the highest price since June 1990.

All milk price for mid-July was projected to be \$19.40 per cwt., down \$1.00 from June while up \$6.90 from the previous July. This was the first decrease in the price of milk in five months. Final monthly all milk prices will vary from projected mid-month prices due to price changes announced by Milk Marketing Orders, actual milk fat content and quantity sold by class. **Milk cow** price for mid-July was \$1,640.00 per head, up \$90.00 from April, \$330.00 from July 2003 and the highest price since April 2002.

Prices for grains were mixed with corn and soybeans decreasing in price from June while winter wheat increased in price. The **corn** price was \$2.55 per bushel for mid-July. This was down 50 cents from June and 2 cents from July 2003.

During April, May and June corn had been selling in the \$3.00 plus per bushel range. The **soybean** price for mid-month was \$8.10 per bushel. This was down \$1.02 from the June price while up \$2.12 from the previous July. Since February soybeans have been selling in the \$8.00 to \$9.00 range. The **winter wheat** price for mid-July was \$3.20 per bushel, up 5 cents from the previous month and 12 cents from July 2003.

The preliminary **U.S.** All Farm Products Index of Prices Received by Farmers in July was 122, based on 1990-92=100, 6 points (4.7 percent) below the June index. Declines occurred in both the Crop Price Index and the Livestock Price Index. The Crop Index, declined 6 points (4.9 percent) from June while the Livestock Index decreased 5 points (3.8 percent). Producers received higher commodity prices for oranges, asparagus, sweet corn, and snap beans. Lower prices was received for dairy, corn, soybeans, and cattle. The seasonal change in the mix of commodities farmers sell, based on the past 3 year average, also affects the overall index. Increased average marketings of grapes, wheat, tomatoes, and hay offset decreased marketings of dairy, cantaloup, asparagus, and oranges. The preliminary All Farm Products Index was up 17 points (16 percent) from July 2003.

AVERAGE PRICES RECEIVED BY FARMERS - (Dollars)

| COMMODITY | UNIT | KENTUCKY | | | US |
|----------------------|------|--------------|-----------|--------------|-----------|
| | | JULY 2003 | JUNE 2004 | JULY 2004 | JULY 2004 |
| | | Entire Month | | Mid-Month a/ | |
| All Corn b/ c/ | Bu. | 2.57 | 3.05 | 2.55 | 2.42 |
| Soybeans b/ | Bu. | 5.98 | 9.12 | 8.10 | 8.21 |
| Winter Wheat b/ | Bu. | 3.08 | 3.15 | 3.20 | 3.31 |
| Alfalfa Hay, baled | Ton | 110.00 | 100.00 | 100.00 | 98.40 |
| All Other Hay, baled | Ton | 64.00 | 58.00 | 61.00 | 70.90 |
| All Hogs | Cwt. | 43.60 | 55.60 | 55.70 | 56.90 |
| Barrows & Gilts | Cwt. | 43.00 | 56.00 | 56.00 | 57.30 |
| Sows | Cwt. | 33.00 | 46.00 | 49.00 | 49.10 |
| All Beef Cattle d/ | Cwt. | 73.40 | 90.80 | 92.80 | 87.50 |
| Steers & Heifers e/ | Cwt. | 83.00 | 103.00 | 105.00 | 91.10 |
| Cows | Cwt. | 43.00 | 52.00 | 54.00 | 55.90 |
| Calves f/ | Cwt. | 92.00 | 118.00 | 121.00 | 128.00 |
| Milk Cows g/ | Ea. | 1,310.00 | --- | 1,640.00 | 1,720.00 |
| Milk Wholesale | | | | | |
| All | Cwt. | 12.50 | 20.40 | 19.40 | 16.20 |
| Hog-Corn Ratios h/ | Bu. | 17.0 | 18.2 | 21.8 | 23.5 |

a/ Preliminary. b/ Includes contract sales paid during month. c/ Includes yellow and white corn. d/ "Steers and heifers" and "cows" combined. e/ 500 lbs. and over. f/ Under 500 lbs. g/ Published only in Jan., Apr., July & Oct. h/ Number of bushels of corn equal in value to 100 lbs. of hog live weight.

JULY 1 CATTLE INVENTORY DOWN SLIGHTLY

All cattle and calves in the **United States** as of July 1, 2004, totaled 103.6 million head, down slightly from the 103.9 million on July 1, 2003 and 1 percent below the 105.1 million two years ago. **All cows and heifers** that have calved, at 42.5 million, were slightly below the 42.7 million on July 1, 2003 and 1 percent below the 42.9 million two years ago. **Beef cows**, at

33.5 million, were down slightly from July 1, 2003 and 1 percent below two years ago. **Milk cows**, at 9.0 million, were down 1 percent from July 1, 2003 and down 2 percent from two years ago. The 2004 **calf crop** was expected to be 37.7 million, down 1 percent from both 2003 and 2002. Calves born during the first half of the year were estimated at 27.5 million, down 1 percent from both 2003 and 2002.

Other class estimates on July 1, 2004, and the changes from July 1, 2003, are as follows:

- All heifers 500 pounds and over, 15.95 million, up slightly.
- Beef replacement heifers, 4.8 million, up 4 percent.
- Milk replacement heifers, 3.6 million, unchanged.
- Other heifers, 7.55 million, down 2 percent.
- Steers weighing 500 pounds and over, 14.2 million, unchanged.
- Bulls weighing 500 pounds and over, 2.05 million, down 2 percent.
- Calves under 500 pounds, 28.9 million, down slightly.
- All cattle and calves on feed for slaughter, 11.8 million, down slightly.

JULY 1, 2004, ALL SHEEP AND LAMB INVENTORY DOWN 2 PERCENT

All **sheep and lamb** inventory in the **United States** on July 1, 2004, totaled 7.65 million head, 2 percent below July 1, 2003. Breeding sheep inventory at 4.55 million head on July 1, 2004 was 1 percent below July 1, 2003. Market sheep and lambs (including newborn lambs), at 3.11 million head, were 3 percent below last July.

The 2004 **lamb crop** in the **United States** was expected to total 4.08 million head, down 1 percent from the 2003 lamb crop of 4.12 million head. Lambs born during January through June 2004 totaled 3.61 million head or 88 percent of the yearly total. An additional 470,000 head are expected to be born during the period July through December 2004.

UNITED STATES EGG PRODUCTION & HATCH

| | June 2003 | June 2004 | '04 % '03 |
|------------------------------|-----------|-----------|-----------|
| Egg Production | | | |
| Eggs Produced (Million) | 7,105 | 7,273 | 102 |
| Average Layers (000) | 334,789 | 342,133 | 102 |
| Eggs Per 100 Layers | 2,122 | 2,126 | 100 |
| Egg Type Hatchery | | | |
| Eggs Set July 1 (000) | 32,098 | 36,065 | 112 |
| Chicks Hatched (000) | 36,602 | 38,066 | 104 |
| Broiler Type Hatchery | | | |
| Eggs Set July 1 (000) | 636,346 | 658,968 | 104 |
| Chicks Hatched (000) | 774,679 | 785,844 | 101 |

RED MEAT PRODUCTION

COMMERCIAL RED MEAT PRODUCTION 1/

Commercial red meat production for the U.S. totaled 3.93 billion pounds in June, down 1 percent from the 3.95 billion pounds produced in June 2003. June 2003 contained 21 weekdays (including no holidays) and 4 Saturdays. June 2004 contained 22 weekdays (including one special holiday declared by the federal government for President Reagan's funeral) and 4 Saturdays.

| Type | June 2003 | May 2004 | June 2004 | June 04 % of | |
|-----------------------|----------------|-------------|-------------|--------------|------------|
| | | | | June 2003 | May 2004 |
| | Million Pounds | | | Percent | |
| Beef | 2,391 | 2,070 | 2,227 | 93 | 108 |
| Veal | 15.0 | 13.8 | 13.4 | 89 | 97 |
| Pork | 1,531 | 1,500 | 1,672 | 109 | 111 |
| Lamb & Mutton | 15.2 | 13.0 | 15.5 | 102 | 119 |
| Total U.S. | 3,952 | 3,597 | 3,928 | 99 | 109 |
| Total Kentucky | 34.9 | 38.2 | 39.9 | 114 | 104 |

1/ Based on packer's dressed weights and excludes farm slaughter.

Beef production, at 2.23 billion pounds, was 7 percent below the previous year. Cattle slaughter totaled 2.99 million head, down 8 percent from June 2003. The average live weight was up 8 pounds from the previous year, at 1,225 pounds.

Pork production totaled 1.67 billion pounds, up 9 percent from the previous year, and set a monthly record high. Hog kill totaled 8.50 million head, 10 percent above June 2003. The average live weight was 2 pounds below the previous year, at 264 pounds.

COMMERCIAL SLAUGHTER, KY & U.S. JUNE 2003 & 2004 1/

| Type | Number Slaughtered | | Total Live Weight | | Average Live Weight | |
|----------------------|--------------------|---------|-------------------|-----------|---------------------|-------|
| | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 |
| | 1,000 head | | 1,000 pounds | | Pounds | |
| Kentucky | | | | | | |
| Cattle | 1.2 | 1.2 | 1,122 | 1,010 | 919 | 870 |
| Hogs | 174.5 | 200.4 | 45,792 | 52,393 | 262 | 261 |
| Sheep & Lambs | 0.9 | 1.1 | 117 | 138 | 128 | 120 |
| United States | | | | | | |
| Cattle | 3,252.6 | 2,994.6 | 3,959,951 | 3,667,668 | 1,217 | 1,225 |
| Hogs | 7,764.2 | 8,504.4 | 2,063,846 | 2,243,747 | 266 | 264 |
| Sheep & Lambs | 229.4 | 230.9 | 30,397 | 30,989 | 133 | 134 |

1/ Includes slaughter under Federal inspection and other Commercial slaughter, excludes farm slaughter.

COLD STORAGE HIGHLIGHTS

Frozen food stocks in refrigerated warehouses on June 30, 2004 were greater than year earlier levels for chicken, beef, orange juice, cheese, eggs, and vegetables.

| ALL U.S. WAREHOUSE STOCKS | | | | | |
|---------------------------|--------------|-------------|--------------|-----------------|---------|
| Commodity | June 30 2003 | May 31 2004 | June 30 2004 | June 04 as % of | |
| | | | | Jun '03 | May '04 |
| Frozen Poultry | | 1,000 lbs | | Percent | |
| Chicken | 653,259 | 669,846 | 753,097 | 115 | 112 |
| Turkey | 718,212 | 571,124 | 591,580 | 82 | 104 |
| Ducks | 6,115 | 1,043 | 941 | 15 | 90 |
| Total Frozen Poultry | 1,377,586 | 1,242,013 | 1,345,618 | 98 | 108 |
| Meat | | | | | |
| Total Frozen Beef | 371,477 | 402,823 | 411,000 | 111 | 102 |
| Frozen Pork | | | | | |
| Bellies | 43,504 | 41,366 | 37,102 | 85 | 90 |
| Total Frozen Pork 1/ | 460,012 | 418,903 | 379,293 | 82 | 91 |
| Total Meat 2/ | 847,487 | 835,321 | 803,383 | 95 | 96 |

1/ Includes picnics, hams, bellies, loins, ribs, trimmings, and other frozen pork. 2/ Includes frozen beef, pork, veal, lamb and mutton, other frozen meat, canned hams, and other canned meat.

MILK PRODUCTION

Kentucky milk production for June 2004 totaled 116 million pounds, down 3 percent from June 2003 and down 11 percent from last month. Average number of cows on farms, at 112,000, was down 6,000 head from a year earlier but up 2,000 head from last month. Milk per cow averaged 1,035 pounds, up 20 pounds from June 2003 but down 155 pounds from the previous month.

Milk production in the **20 major States** during June totaled 12.4

billion pounds, down 0.2 percent from June 2003. May revised production, at 13.0 billion pounds, was down 6 million pounds from May 2003. The May revision represented an increase of 13 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,603 pounds for June, 7 pounds above June 2003. The number of milk cows on farms in the 20 major States was 7.74 million head, 44,000 head less than June 2003, but 19,000 head more than May 2004.

MILK COWS & MILK PRODUCTION FOR JUNE, SELECTED STATES

| STATE | Milk Cows 1/ | | Milk Per Cow 2/ | | Production 2/ | | 2004 as % of 2003 |
|----------------|--------------|------------|-----------------|--------------|----------------|------------|-------------------|
| | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | |
| | Thousands | | Pounds | | Million Pounds | | Percent |
| CA | 1,684 | 1,725 | 1,765 | 1,755 | 2,972 | 3,027 | 102 |
| IL | 110 | 108 | 1,525 | 1,540 | 168 | 166 | 99 |
| IN | 148 | 149 | 1,610 | 1,610 | 238 | 240 | 101 |
| KY | 118 | 112 | 1,015 | 1,035 | 120 | 116 | 97 |
| MO | 130 | 124 | 1,220 | 1,250 | 159 | 155 | 97 |
| OH | 261 | 265 | 1,450 | 1,435 | 378 | 380 | 101 |
| VA | 115 | 102 | 1,235 | 1,325 | 142 | 135 | 95 |
| WI | 1,256 | 1,243 | 1,505 | 1,490 | 1,890 | 1,852 | 98 |
| 20 State Total | 7,785 | 7,741 | 1,596 | 1,603 | 12,428 | 12,409 | 100 |

1/ Includes dry cows, excludes heifers not yet fresh. 2/ Excludes milk sucked by calves.

CATFISH

Commercial catfish operations in the four major producing States (Alabama, Arkansas, Louisiana, and Mississippi) had 317 million foodsize fish on hand on July 1, 2004, down 9 percent from the July 1, 2003 total of 347 million. The breakouts of foodsize fish inventory numbers on July 1, 2004, with their respective percent change from the previous year are: large foodsize, 7.80 million, up 6 percent; medium foodsize, 78.5 million, down 8 percent; and small foodsize, 231 million, down 9 percent. The four major States also had 913 thousand broodfish on hand on July 1, 2004, up 2 percent from last year's 894 thousand.

The water surface area to be used for catfish production during July 1 through December 31, 2004, totaled 170,100 acres, down 3 percent from a year ago. Acres used for foodsize fish totaled 141,200 acres, down 1 percent from July 2003. Acres for broodfish were down 16 percent to

3,390 acres, and acres used for fingerling production decreased 13 percent to 20,720 acres. Acres taken out of production during the January 1, 2004 through June 30, 2004 period totaled 12,740, while 3,940 acres of the total in production were scheduled to be renovated from July 1, 2004 to December 31. The total number of operations on July 1, 2004 in the four major States was 886, up 7 percent from the year ago total of 825.

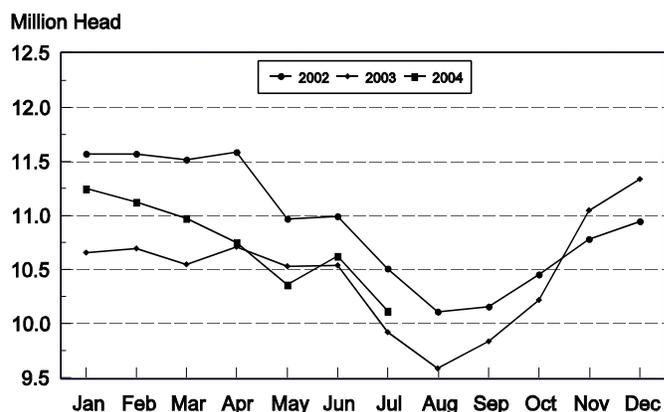
CATFISH WATER ACRES & OPERATIONS

| State | Operations | | Water Surface Acres | |
|-------|------------|-----------|---------------------|--------------------|
| | Jul 1 '03 | Jul 1 '04 | Jul 1-Dec 31 '03 | Jul 1 - Dec 31 '04 |
| AL | 220 | 250 | 26,000 | 25,700 |
| AR | 150 | 158 | 33,500 | 33,000 |
| LA | 50 | 48 | 9,400 | 8,400 |
| MS | 405 | 430 | 106,000 | 103,000 |
| Total | 825 | 886 | 174,900 | 170,100 |

U.S. CATTLE ON FEED

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.12 million head on July 1, 2004. The inventory was 2 percent above July 1, 2003 but 4 percent below July 1, 2002. The inventory included 6.37 million steers and steer calves, up 4 percent from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 3.70 million head, down 1 percent from 2003. **Placements** in feedlots during June totaled 1.64 million, 2 percent below 2002 and down slightly from 2003. Net placements were 1.57 million. During June, placements of cattle and calves weighing less than 600 pounds were 460,000, 600-699 pounds were 356,000, 700-799 pounds were 448,000, and 800 pounds and greater were 375,000. **Marketings** of fed cattle during June totaled 2.08 million, 7 percent below 2003 but up slightly from 2002. **Other disappearance** totaled 70,000 during June, 15 percent above 2003 and 37 percent above 2002.

United States Cattle on Feed
1,000+ Capacity Feedlots



Internet Access: Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at <http://www.usda.gov/nass/>