

KENTUCKY AGRI-NEWS



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FEATURING: ▶Agricultural Prices ▶Hogs & Pigs ▶Cattle on Feed ▶Milk Production
 ▶Slaughter ▶Cold Storage ▶Small Grains ▶Grain Stocks

KENTUCKY LIVESTOCK AND CROP PRICES DECLINE

Prices received by **Kentucky** farmers declined for all commodities, both livestock and crop, with the exception of winter wheat.

Prices of cattle and calves were down from August prices. **Steers and heifers** 500 lbs. and over at mid-September averaged \$103.00 per cwt. This was down \$5.00 from the August price while up \$14.00 from a year earlier. Prior to the decline steer and heifer prices had seen monthly increases since January 2004 and had established a record high price of \$108.00 per cwt. in August. **Beef cow** prices averaged \$52.00 per cwt. The mid-month price was down \$1.00 from a month earlier while up \$9.00 from September 2003. **Calves** under 500 lbs. averaged \$118.00 for mid-September, down \$5.00 from the previous month while up \$20.00 from a year earlier. The August 2004 calf price of \$123.00 per cwt. was a record high.

Prices for hogs were down at mid-month. **Barrows and gilts** for mid-September averaged \$51.00 per cwt., down \$3.00 from August while up \$11.00 from September 2003. **Sows** at \$43.00 per cwt. were down \$6.00 from a month earlier while up \$13.00 from September 2003.

All milk price was projected \$15.80 per cwt. This was down 40 cents from the August price while up 20 cents from the previous year. Prices have declined since setting a record high \$20.40 per cwt. in June 2004. Final monthly all milk prices will vary from the projected mid-month prices due to price changes announced by Milk Marketing Orders, actual milk fat content and quantity sold by class.

Prices for corn and soybeans declined from August while winter wheat increased in price. The **corn** price was \$2.20 per bushel, down 20 cents from the August price and four cents from September 2003. **Soybean** price for mid-month was \$5.80. This was down 79 cents from August and 25 cents from September 2003. The **winter wheat**

price for mid-September was \$3.15 per bushel, an increase of 18 cents from the previous month while down 17 cents from September 2003.

The preliminary **U.S.** All Farm Products Index of Prices Received by Farmers in September was 114, based on 1990-92=100, was 6 points (5.0 percent) below the August Index. Declines occurred in both the Crop Price Index and the Livestock Price Index. The Crop Index, declined 7 points (5.9 percent) from August while the Livestock Index decreased 5 points (4.1 percent). Producers received higher commodity prices for broccoli, wheat, grapes, oranges, and peaches. Lower prices were received for broilers, soybeans, cattle, corn, and lettuce. 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 soybeans, peanuts, corn, and apples offset decreased marketings of cattle, broilers, wheat and grapes. The preliminary All Farm Products Index was up 3 points (2.7 percent) from September 2003.

AVERAGE PRICES RECEIVED BY FARMERS - (Dollars)

COMMODITY	UNIT	KENTUCKY			US
		SEPT 2003	AUG 2004	SEPT 2004	SEPT 2004
		Entire Month		Mid-Month <i>a/</i>	
All Corn <i>b/ c/</i>	Bu.	2.24	2.40	2.20	2.13
Soybeans <i>b/</i>	Bu.	6.05	6.59	5.80	5.77
Winter Wheat <i>b/</i>	Bu.	3.32	2.97	3.15	3.36
Alfalfa Hay, baled	Ton	110.00	100.00	100.00	95.50
All Other Hay, baled	Ton	64.00	58.00	58.00	65.70
All Hogs	Cwt.	39.60	53.80	50.70	53.70
Barrows & Gilts	Cwt.	40.00	54.00	51.00	54.30
Sows	Cwt.	30.00	49.00	43.00	41.60
All Beef Cattle <i>d/</i>	Cwt.	78.00	94.80	90.80	86.30
Steers & Heifers <i>e/</i>	Cwt.	89.00	108.00	103.00	89.80
Cows	Cwt.	43.00	53.00	52.00	52.80
Calves <i>f/</i>	Cwt.	98.00	123.00	118.00	129.00
Milk Wholesale					
All	Cwt.	15.60	16.20	15.80	15.10
Hog-Corn Ratios <i>h/</i>	Bu.	17.7	22.4	23.0	25.2

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/* Number of bushels of corn equal in value to 100 lbs. of hog live weight.

SEPTEMBER 1 HOG & PIG INVENTORY

U.S. inventory of all hogs and pigs on September 1, 2004, was 61.4 million head. This was 1 percent above both September 1, 2003, and June 1, 2004. Breeding inventory, at 5.98 million head, was up 1 percent from September 1, 2003, and also up 1 percent from last quarter. Market hog inventory, at 55.4 million head, was 1 percent above last year and 2 percent above last quarter.

The June-August 2004 **U.S.** pig crop, at 26.0 million head, was up 1 percent from both 2003 and 2002. Sows farrowing during this period totaled 2.89 million head, 1 percent below last year. The sows farrowed during this quarter represented 49 percent of the breeding herd. The average pigs saved per litter was 9.00 for the June-August 2004 period, compared

to 8.90 last year. Pigs saved per litter by size of operation ranged from 7.50 for operations with 1-99 hogs to 9.10 for operations with more than 5,000 hogs and pigs.

U.S. hog producers intend to have 2.86 million sows farrow during the September-November 2004 quarter, 1 percent above the actual farrowings during the same period in both 2003 and 2002. Intended farrowings for December 2004-February 2005, at 2.85 million sows, are up 1 percent from the same period in 2004, and up 3 percent from the same period in 2003. The total number of hogs under contract, owned by operations with over 5,000 head, but raised by contractees, accounted for 39 percent of the total **U.S.** hog inventory, up from 35 percent last year.

HOGS AND PIGS: INVENTORY NUMBERS BY CLASS & WEIGHT GROUPS SEPTEMBER 1, 2003 - 2004, SELECTED STATES AND U.S.

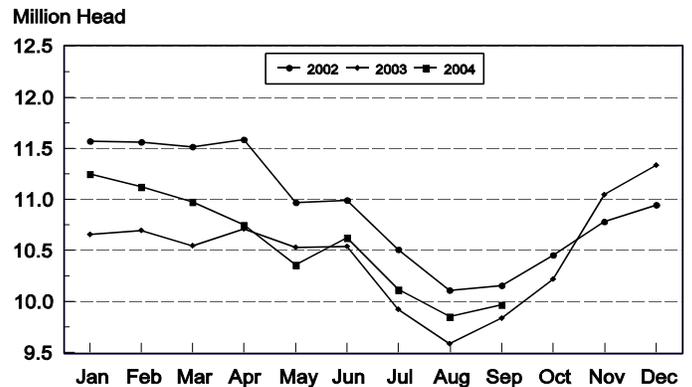
State	TOTAL		BREEDING		MARKET		MARKET HOGS							
	2004	2004	2004	2004	2004	2004	Under 60 lbs.		60-119 lbs		120-179 lbs		180 lbs +	
	1,000	% of	1,000	% of	1,000	% of	2003	2004	2003	2004	2003	2004	2003	2004
	Head	2003	Head	2003	Head	2003	(1,000 Head)							
AR	320	114	80	100	240	120	110	140	35	35	30	35	25	30
CO	710	92	140	108	570	89	335	310	95	85	90	75	120	100
IL	4,000	101	410	98	3,590	102	1,310	1,380	870	840	770	770	580	600
IN	3,250	107	300	100	2,950	107	1,030	1,080	690	710	550	600	480	560
IA	16,300	101	1,060	103	15,240	101	4,760	4,640	4,100	4,200	3,400	3,350	2,810	3,050
KS	1,790	107	160	97	1,630	108	500	550	350	340	235	285	420	455
MI	940	102	100	100	840	102	300	310	210	210	165	170	145	150
MN	6,600	102	590	98	6,010	102	2,300	2,420	1,510	1,440	1,260	1,240	830	910
MO	2,900	100	330	100	2,570	100	1,220	1,260	550	510	480	450	320	350
NE	2,850	93	360	96	2,490	93	1,060	970	700	660	510	470	405	390
NC	10,300	101	1,050	105	9,250	101	3,650	3,650	2,350	2,350	1,850	1,850	1,350	1,400
OH	1,500	101	160	103	1,340	101	545	560	345	330	280	270	155	180
OK	2,460	101	360	100	2,100	101	950	1,000	300	370	290	250	530	480
PA	1,060	94	105	88	955	95	360	290	240	245	200	195	210	225
SD	1,210	94	140	104	1,070	93	380	370	310	280	275	240	190	180
TX	1,030	112	110	116	920	112	290	340	160	185	150	210	225	185
WI	440	88	50	83	390	89	175	150	100	90	85	80	80	70
Other 1/	3,724	100	478	103	3,245	100	1,093	1,120	814	764	714	696	635	667
U.S.	61,384	101	5,983	101	55,400	101	20,368	20,540	13,729	13,644	11,334	11,236	9,510	9,982

1/ Individual State estimates not available for the 33 other states. Kentucky included in other States.

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 9.97 million head on September 1, 2004. The inventory was 1 percent above September 1, 2003 but 2 percent below September 1, 2002. **Placements** in feedlots during August totaled 2.10 million, 12 percent below 2003 and 6 percent below 2002. This is the second lowest placements for the month of August since the series began in 1996. Net placements were 2.04 million. During August, placements of cattle and calves weighing less than 600 pounds were 506,000, 600-699 pounds were 413,000, 700-799 pounds were 565,000, and 800 pounds and greater were 615,000. **Marketings** of fed cattle during August totaled 1.92 million, 7 percent below 2003 and 10 percent below 2002. This is the lowest fed cattle marketings for the month of August since the series began in 1996. **Other disappearance** totaled 56,000 during August, 7 percent below 2003 but 30 percent above 2002.

**United States Cattle on Feed
1,000+ Capacity Feedlots**



MILK PRODUCTION

Kentucky milk production for August 2004 totaled 115 million pounds, up 5 percent from August 2003, but down 2 percent from July 2004. Average number of cows, at 110,000 head, was 2,000 head below the previous year and 1,000 head below last month. Milk per cow, at 1,045 pounds during August, was up 70 pounds from a year ago, but down 10 pounds from last month.

Milk production in the **20 major States** during August totaled 12.4 billion pounds, up 1.5 percent from August

2003. July revised production, at 12.5 billion pounds, was up 1.0 percent from July 2003. The July revision represented an increase of 36 million pounds or 0.3 percent from last month's preliminary production estimate. **Production per cow** in the 20 major States averaged 1,595 pounds for August, 24 pounds above August 2003. **The number of milk cows** on farms in the 20 major States was 7.77 million head, 5,000 head less than August 2003, but 7,000 head more than July 2004.

RED MEAT PRODUCTION

Commercial red meat production for the U.S. totaled 3.88 billion pounds in August, down 1 percent from the 3.92 billion pounds produced in August 2003. August 2003 contained 21 weekdays and 5 Saturdays. August 2004 contained 22 weekdays and 4 Saturdays.

Beef production, at 2.15 billion pounds, was 8 percent below the previous year. Cattle slaughter totaled 2.82 million head, down 10 percent from August 2003. The average live weight was up 27 pounds from the previous year, at 1,252 pounds.

Pork production totaled 1.70 billion pounds, up 9 percent from the previous year, and was a record monthly high. Hog kill totaled 8.72 million head, 8 percent above August 2003. The average live weight was 2 pounds above the previous year, at 262 pounds.

COMMERCIAL RED MEAT PRODUCTION ^{1/}

Type	Aug 2003	Jul 2004	Aug 2004	Aug. 04 % of	
				Aug 2003	Jul 2004
	Million Pounds			Percent	
Beef	2,328	*2,105	2,151	92	102
Veal	14.1	13.4	13.9	98	104
Pork	1,559	1,576	1,698	109	108
Lamb & Mutton	15.7	14.2	15.1	96	106
Total U.S.	3,917	*3,709	3,878	99	105
Total Kentucky	36.8	39.6	44.0	119	111

^{1/} Based on packers' dressed weights and excludes farm slaughter. *Revised.

COMMERCIAL SLAUGHTER, AUGUST 2003 & 2004 ^{1/}

Type	Number Slaughtered		Total Live Weight		Average Live Weight	
	2003	2004	2003	2004	2003	2004
	1,000 head		1,000 lbs.		Pounds	
Kentucky						
Cattle	1.0	1.1	899	990	889	870
Hogs	185.2	221.8	48,390	57,930	261	261
Sheep & Lambs	1.1	1.0	138	119	130	125
United States						
Cattle	3,138.8	2,819.3	3,846,377	3,529,724	1,225	1,252
Hogs	8,057.9	8,719.8	2,098,465	2,283,391	260	262
Sheep & Lambs	241.6	232.6	31,262	30,109	129	129

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

COLD STORAGE HIGHLIGHTS

Frozen food stocks in refrigerated warehouses on August 31, 2004, were greater than year earlier levels for beef, chicken, orange juice, frozen fruit, and cheese.

ALL U.S. WAREHOUSE STOCKS

Commodity	Aug 31 2003	Jul 31 2004	Aug 31 2004	Aug 04 as % of	
				Aug '03	Jul '04
Frozen Poultry		1,000 lbs		Percent	
Chicken	617,698	730,290	728,071	118	100
Turkey	706,502	599,589	585,059	83	98
Ducks	4,064	972	1,001	25	103
Total Frozen Poultry	1,328,264	1,330,851	1,314,131	99	99
Meat					
Total Frozen Beef	370,992	427,047	447,736	121	105
Frozen Pork					
Bellies	17,900	23,383	15,102	84	65
Total Frozen Pork ^{1/}	430,239	373,399	387,899	90	104
Total Meat ^{2/}	817,317	814,258	848,908	104	104

^{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.

SMALL GRAINS

Farmers planted 530,000 acres of **winter wheat** in the fall of 2003 for harvest in 2004. The acreage was up 10,000 acres from the previous estimate and 30,000 acres from the 2003 crop. Acres harvested for grain totaled 380,000 acres, an increase of 10,000 acres from the previous estimate and 30,000 acres from last year's crop. Yield was estimated at 54 bushels per acre, down eight bushels from the 2003 crop. Grain production at 20.5 million bushels was down 5 percent from the upward revised 2003 winter wheat crop of 21.7 million bushels. Quality of the wheat crop started strong in the spring but wet weather and lodging delayed harvesting of the crop. Head scab and blight combined to reduce the final yield and test weights. In some cases winter wheat for sale was refused at delivery due to the light test weight. The 150,000 acres not harvested for grain were plowed down for a cover crop prior to setting tobacco, cut as grain hay, chopped as grain silage or

abandoned. **U.S. all wheat** production totaled 2.34 billion bushels in 2003, up 2 percent from the last forecast and 44 percent above 2002. Grain area was 52.8 million acres, up 15 percent from last year. The yield was 44.2 bushels per acre, up 8.9 bushels from a year ago.

Production of **barley** by farmers totaled 616,000 bushels, up slightly from the 600,000 bushels in 2003. Yield was estimated at 77 bushels per acre, up two bushels from the 2003 crop. Acreage for grain at 8,000 acres was unchanged from the previous year. **U.S. barley** was estimated at 280 million bushels, up 3 percent from the August 1 forecast and 1 percent from last year. Average yield per acre, at a record high 69.5 bushels, was up 3.8 bushels from the last forecast and 10.6 bushels above 2003. The area harvested for grain was estimated at 4.03 million acres, down 3 percent from August and 15 percent below a year ago.

SEPTEMBER 1 GRAIN STOCKS

Kentucky corn stocks totaled 8.06 million bushels of old crop corn on September 1, 2004. Corn currently being harvested was excluded from the stock's estimate. Total stocks were up 28 percent from the September 1, 2003 estimate while still 28 percent below the September 1, 2002 stocks. Corn stored on farms totaled 3.70 million bushels, 48 percent above the previous year while 38 percent below the September 2002 level. Corn stored on farms accounted for 46 percent of total stocks. Corn stored in off-farm facilities totaled 4.36 million bushels, up 14 percent from September 2003. Off-farm stocks accounted for 54 percent of the total corn in storage. Off-farm stocks include grain stored at mills, elevators, warehouses, terminals and processors. Wheat and oat stocks in Kentucky were estimated only for off-farm stocks. Off-farm stocks of **wheat** were 9.77 million bushels compared with 8.16 million bushels a year earlier. Off-farm stocks of **oats** totaled 136,000 bushels compared with 165,000 bushels a year earlier. **Soybean, barley** and **grain sorghum** stocks stored in off-farm facilities were not published to avoid disclosure of individual operations.

U.S. old crop **corn** stocks in all positions on September 1, 2004 totaled 958 million bushels, down 12 percent from September 1, 2003. Of the total stocks, 438 million bushels were stored on farms, down 10 percent from a year earlier. Off-farm stocks, at 520 million bushels, were down 14 percent from the previous year. The June - August 2004 indicated disappearance was 2.01 billion bushels, compared with 1.90 billion bushels during the same period last year. Old crop **soybeans** stored in all positions on September 1, 2004 totaled 112 million bushels, down 37 percent from September 1, 2003. This was the lowest ending stocks level since 1977. Soybean stocks stored on farm totaled 29.4 million bushels, down 49 percent from a year ago. Off-farm stocks are down 31 percent from September 1, 2003, to 83.1 million bushels. Indicated disappearance for June - August 2004 totaled 298 million bushels, down 30 percent from the same period a year earlier. **All wheat** stored in all positions on September 1, 2004 totaled 1.94 billion bushels, down 5 percent from a year ago. On-farm stocks were estimated at 796 million bushels, up 16 percent from last year. Off-farm stocks, at 1.15 billion bushels, were down 15 percent from a year ago. The June - August 2004 indicated disappearance was 769 million bushels, down 4 percent from the same period a year earlier.

KENTUCKY AND UNITED STATES STOCKS OF GRAIN SEPTEMBER 1, 2004 WITH COMPARISONS

CROP	POSITION	KENTUCKY			UNITED STATES		
		Sept. 1 2003	June 1 2004	Sept. 1 2004	Sept. 1 2003	June 1 2004	Sept. 1 2004
(Thousand Bushels)							
Corn (Old Crop)	On-Farm	2,500	11,500	3,700	484,900	1,540,000	438,000
	Off-Farm <u>1/</u>	3,810	12,895	4,360	601,773	1,430,140 <u>5/</u>	519,672
	Total	6,310	24,395	8,060	1,086,673	2,970,140 <u>5/</u>	957,672
Sorghum (Old Crop)	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	4,500	7,650	3,700
	Off-Farm <u>1/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	38,530	72,944 <u>5/</u>	29,855
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	43,030	80,594 <u>5/</u>	33,555
Oats	On-Farm	<u>3/</u>	<u>3/</u>	<u>3/</u>	82,100	27,500	74,800
	Off-Farm <u>1/</u>	165	143	136	49,637	37,348 <u>5/</u>	41,454
	Total	165	143	136	131,737	64,848 <u>5/</u>	116,254
Barley	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	141,900	28,320	176,500
	Off-Farm <u>1/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	99,730	91,989 <u>5/</u>	115,305
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	241,630	120,309 <u>5/</u>	291,805
All Wheat	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	687,320	131,880	795,600
	Off-Farm <u>1/</u>	8,162	2,198	9,771	1,351,652	414,939 <u>5/</u>	1,146,115
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	2,038,972	546,819 <u>5/</u>	1,941,715
Soybeans (Old Crop)	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	58,000	110,000	29,400
	Off-Farm <u>1/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	120,329	300,604 <u>5/</u>	83,089
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	178,329	410,604 <u>5/</u>	112,489

1/ Includes stocks at mills, elevators, warehouses, terminals and processors. 2/ Kentucky is a minor State, not published separately. 3/ On-farm stocks estimates not made. 4/ Not published to avoid disclosure of individual operations. 5/ Revised.

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/>