

KENTUCKY AGRI-NEWS



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FEATURING:

- ▶ Agricultural Prices
- ▶ Farm Labor
- ▶ Slaughter
- ▶ Cattle on Feed
- ▶ Chickens & Eggs
- ▶ Cold Storage
- ▶ Milk Production

LIVESTOCK PRICES MIXED WHILE CROP PRICES DECLINE

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

Cattle and calf prices for mid-August were mixed. Steers and heifers, and calves were up, while beef cows were down. **Steers and heifers** 500 lbs. and over averaged \$107.00 per cwt., a record high. Prices have been above \$100.00 per cwt. for three months. Prices were up \$2.00 compared to July and \$22.00 compared to August 2003. **Beef cow** prices at \$52.00 per cwt. were down \$2.00 from a month earlier while up \$10.00 from a year earlier. **Calves** less than 500 lbs. set a record high price at \$123.00 per cwt. This was up \$3.00 from July 2004 and \$30.00 from August 2003.

Prices for hogs were steady to up at mid-month. **Barrows and gilts** for mid-August averaged \$56.00 per cwt., unchanged from July while up \$16.00 from August 2003. **Sows** at \$51.00 were up \$1.00 from the previous month and \$18.00 from a year earlier.

The **all milk** price for mid-August was projected to be \$17.30 per cwt., down \$1.70 from July's average price while up \$3.80 from a year earlier. This was the third monthly price decline after setting a record high \$22.20 per cwt. during May. 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.

Prices of all three crops (corn, soybeans and winter wheat) declined from the previous month. The **corn** price for mid-August was \$2.30 per bushel, down 41 cents from the previous month and two cents from the previous year. **Soybeans** at mid-month averaged \$5.90 per bushel, down \$2.81 from July 2004 while up 11 cents from a year earlier. The **winter wheat** price for mid-August was \$2.75 per bushel, down 16 cents from July and 63 cents from August 2003.

The preliminary **U.S.** All Farm Products Index of Prices Received by Farmers in August at 120, based on 1990-92=100, is 4 points (3.2 percent) below the July Index. Declines occurred in both the Crop Price Index and the Livestock Price Index. The Crop Index, declined 2 points (1.7 percent) from July while the Livestock Index decreased 6 points (4.7 percent). Producers received higher commodity prices for lettuce, tomatoes, strawberries, and cantaloupe. Lower prices were received for broilers, soybeans, dairy, and corn. 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 tobacco, cattle, grapes, and sweet corn offset decreased marketings of wheat, hay, dairy, and broilers. The preliminary All Farm Products Index is up 11 points (10 percent) from August 2003. The Food Commodities Index declined 3 points (2.4 percent) from last month to 124. The index stands 14 points (13 percent) above August 2003.

AVERAGE PRICES RECEIVED BY FARMERS - (Dollars)

COMMODITY	UNIT	KENTUCKY		US	
		AUG 2003	JULY 2004	AUG 2004	AUG 2004
		Entire Month		Mid-Month ^{a/}	
All Corn ^{b/} _{c/}	Bu.	2.32	2.71	2.30	2.27
Soybeans ^{b/}	Bu.	5.79	8.71	5.90	6.34
Winter Wheat ^{b/}	Bu.	3.38	2.91	2.75	3.02
Alfalfa Hay, baled	Ton	115.00	100.00	100.00	97.40
All Other Hay, baled	Ton	67.00	61.00	58.00	70.00
All Hogs	Cwt.	39.70	55.80	55.80	56.00
Barrows & Gilts	Cwt.	40.00	56.00	56.00	56.30
Sows	Cwt.	33.00	50.00	51.00	49.40
All Beef Cattle ^{d/}	Cwt.	74.70	92.80	93.80	88.10
Steers & Heifers ^{e/}	Cwt.	85.00	105.00	107.00	91.50
Cows	Cwt.	42.00	54.00	52.00	55.50
Calves ^{f/}	Cwt.	93.00	120.00	123.00	131.00
Milk Wholesale					
All	Cwt.	13.50	19.00	17.30	15.00
Hog-Corn Ratios ^{g/}	Bu.	17.1	20.6	24.3	24.7

^{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.

U.S. HIRED WORKERS UP 2 PERCENT, WAGE RATES UP 2 PERCENT

There were 1,293,000 hired workers on the Nation's farms and ranches the week of July 11-17, 2004, up 2 percent from a year ago. Of these hired workers, 953,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 340,000 workers.

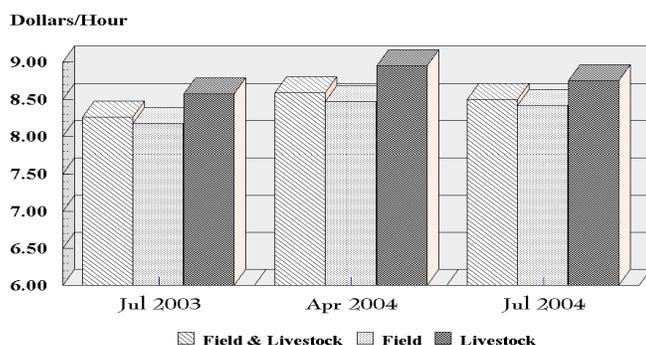
Farm operators paid their hired workers an average wage of \$9.10 per hour during the July 2004 reference week, up 22 cents from a year earlier. Field workers received an average of \$8.42 per hour, up 25 cents from last July, while livestock workers earned \$8.75 per hour compared with

\$8.57 a year earlier. The field and livestock worker combined wage rate, at \$8.50 per hour, was up 24 cents from last year.

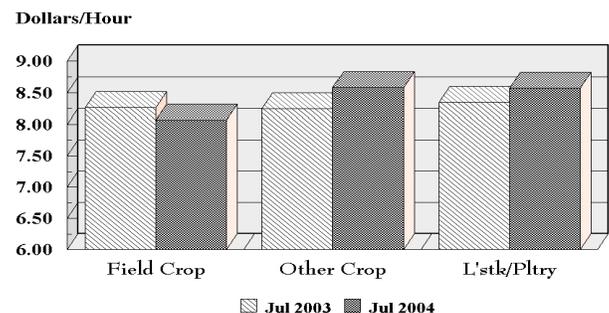
The number of hired workers in the 3-State Region including Kentucky, West Virginia, and Tennessee totaled 33,000 during the week of July 11-17, 2004.

Field workers in the region were paid \$7.63 per hour compared to \$7.79 during the same period last year. Livestock workers were paid \$8.40 per hour compared to \$7.98 last year. The wage rate for all hired workers in the 3-State Region was \$8.16.

U.S. Wage Rates by Type of Worker



Wage Rate of Field & Livestock Workers By Type of Farm



RED MEAT PRODUCTION

Commercial red meat production for the United States totaled 3.71 billion pounds in July, down 8 percent from the 4.05 billion pounds produced in July 2003. July 2003 contained 23 weekdays (including one holiday) and 4 Saturdays. July 2004 contained 22 weekdays (including one holiday) and 5 Saturdays. **Beef production**, at 2.10 billion pounds, was 14 percent below the previous year. Cattle slaughter totaled 2.79 million head, down 15 percent from July 2003. The average live weight was up 14 pounds from the previous year, at 1,239 pounds. **Pork production** totaled 1.58 billion pounds, down slightly from the previous year. Hog kill totaled 8.09 million head, slightly below July 2003. The average live weight was unchanged from the previous year, at 262 pounds.

COMMERCIAL RED MEAT PRODUCTION: U. S. & KENTUCKY ^{1/}

Type	July 2003	June 2004	July 2004	July 04 % of	
				July 2003	June 2004
Million Pounds					
Beef	2,439	2,227	2,104	86	94
Veal	14.8	13.4	13.4	91	100
Pork	1,580	1,672	1,576	100	94
Lamb & Mutton	15.7	15.5	14.2	90	91
Total U.S.	4,050	3,928	3,708	92	94
Total Kentucky	36.6	39.9	39.6	108	99

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

COMMERCIAL SLAUGHTER: KENTUCKY & U.S. JULY 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	1.2	1.0	1,086	828	921	856
Hogs	184.3	201.0	47,876	52,289	260	260
Sheep & Lambs	1.0	1.0	136	123	133	118
United States						
Cattle	3,290.2	2,787.3	4,030,318	3,452,850	1,225	1,239
Hogs	8,116.1	8,094.8	2,129,775	2,120,793	262	262
Sheep & Lambs	239.8	220.8	31,303	28,330	131	128

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

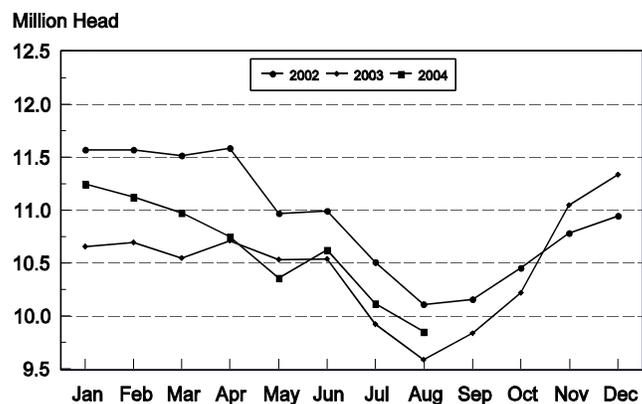
U.S. CATTLE ON FEED

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 9.85 million head on August 1, 2004. The inventory was 3 percent above August 1, 2003 but 3 percent below August 1, 2002.

Placements in feedlots during July totaled 1.72 million, 14 percent below 2003 and 7 percent below 2002. Net placements were 1.66 million. During July, placements of cattle and calves weighing less than 600 pounds were 440,000, 600-699 pounds were 325,000, 700-799 pounds were 499,000, and 800 pounds and greater were 456,000.

Marketings of fed cattle during July totaled 1.93 million, 15 percent below 2003 and 12 percent below 2002. **Other disappearance** totaled 58,000 during July, 3 percent below 2003 but 29 percent above 2002.

United States Cattle on Feed
1,000+ Capacity Feedlots



UNITED STATES EGG PRODUCTION & HATCH

Item	July 2003	July 2004	July '04 as % of July '03
Egg Production			
Eggs Produced (Million)	7,403	7,544	102
Average Layers (000)	334,179	341,897	102
Eggs Per 100 Layers	2,215	2,207	100
Egg Type Hatchery			
Eggs Set Aug 1 (000)	30,716	31,098	101
Chicks Hatched (000)	35,566	34,127	96
Broiler Type Hatchery			
Eggs Set Aug 1 (000)	641,502	662,905	103
Chicks Hatched (000)	777,838	806,827	104

COLD STORAGE HIGHLIGHTS

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

Commodity	All U S. Warehouse Stocks			July 2004 as % of	
	July 31 2003	June 30 2004	July 31 2004	July 2003	June 2004
Frozen Poultry		1,000 lbs		Percent	
Chicken	635,590	756,660	716,252	113	95
Turkey	722,543	595,662	603,206	83	101
Ducks	5,034	936	972	19	104
Total Frozen Poultry	1,363,167	1,353,258	1,320,430	97	98
Meat					
Total Frozen Beef	368,248	411,267	422,818	115	103
Frozen Pork					
Bellies	32,075	37,185	23,394	73	63
Total Frozen Pork <u>1/</u>	440,654	379,659	370,874	84	98
Total Meat <u>2/</u>	825,019	804,023	808,053	98	101

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 July 2004 totaled 117 million pounds, up 1 percent from July 2003, but down 1 percent from June 2004. Average number of cows on farms, at 111,000, was down 4,000 head from a year earlier, and down 1,000 head from last month. Milk per cow averaged 1,055 pounds, up 50 pounds from last year, and unchanged from last month.

from July 2003. June revised production, at 12.4 billion pounds, was down 0.1 percent from June 2003. The June revision represented an increase of 1 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,613 pounds for July, 16 pounds above July 2003. The number of milk cows on farms in the 20 major States was 7.75 million head, 27,000 head less than July 2003, but 11,000 head more than June 2004.

Milk production in the **20 major States** during July totaled 12.5 billion pounds, up 0.7 percent

MILK COWS & MILK PRODUCTION FOR JULY, SELECTED STATES

STATE	Milk Cows ^{1/}		Milk Per Cow ^{1/}		Production ^{2/}		2004 as %
	2003	2004	2003	2004	2003	2004	of 2003
	Thousands		Pounds		Million Pounds		Percent
CA	1,690	1,728	1,755	1,780	2,966	3,076	104
IL	110	107	1,490	1,520	164	163	99
IN	148	150	1,625	1,640	241	246	102
KY	115	111	1,005	1,055	116	117	101
MO	129	122	1,150	1,240	148	151	102
OH	260	266	1,450	1,460	377	388	103
VA	114	102	1,210	1,340	138	137	99
WI	1,255	1,240	1,515	1,505	1,901	1,866	98
20 State							
Total	7,780	7,753	1,597	1,613	12,421	12,505	101

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

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/>