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Agricultural Letter



September 28, 1956

Number 372

THE FALL PIG CROP is now indicated to be 8 per cent smaller than the 1955 crop in nine Corn Belt states. The cutback is virtually the same as reported in the June survey of breeding intentions. The nine-state survey usually provides a reliable guide to the size of the fall pig crop as over two-thirds of the hogs are raised in the region.

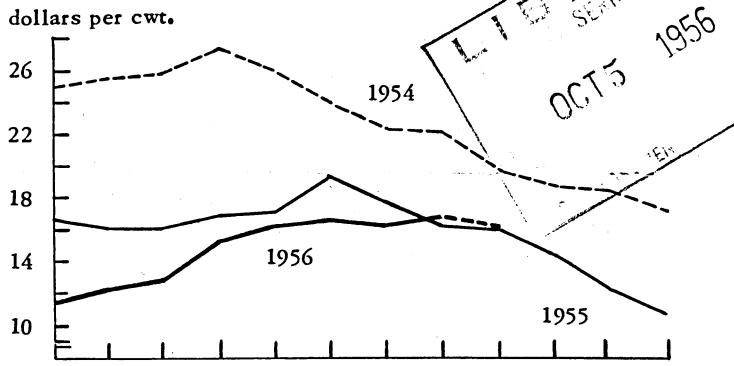
The indicated percentage decline in the number of sows farrowing in the June-November period by states follows:

Illinois	-5	Missouri	-6
Indiana	-3	Ohio	-7
Iowa	-10	South Dakota	-11
Kansas	-17	Wisconsin	-14
Minnesota	-9		

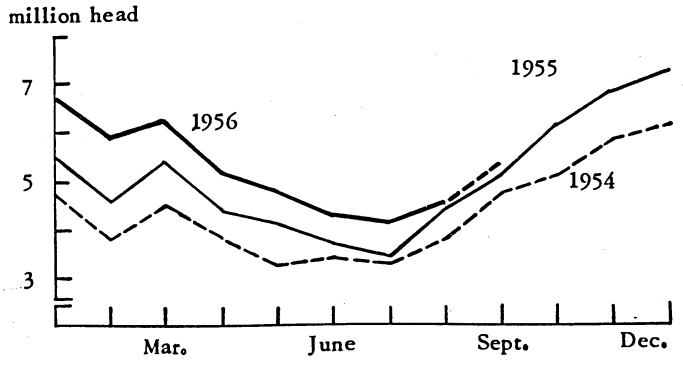
Hog slaughter, after dropping slightly below year-ago in the latter part of August, has been running 6-8 per cent above year ago during September. However, during the remaining months of the year the number of hogs slaughtered should drop considerably below last year's pace.

The number of hogs on farms September 1 was estimated to be 11 per cent below the year-ago figure. The substantial decline reflects cutbacks of 7, 15 and 19 per cent, respectively, in March, April and May farrowings. These pigs will come to market in the October-January period.

PRICES OF BARROWS AND GILTS AT CHICAGO



HOGS SLAUGHTERED AT FEDERALLY INSPECTED MARKETS



With lower marketings indicated than a year ago and strong consumer demand, prices are expected to hold well above the very low levels of last fall and winter. Most observers do not believe that hog prices will drop below the \$14 level for any extended period this fall.

The cutback in the fall pig crop (June-November farrowings) indicates that hog marketings will continue below year-earlier levels during the first half of 1957, and if farmers' intentions for winter farrowings (December-February) are realized, the reduction in marketings will continue into the second half of the year. On September 1 farmers in the nine-state survey reported that they planned to have 4 per cent fewer sows farrow in the coming winter period than a year ago.

Some observers expect that future cutbacks in hog production may not be as large as indicated currently. These analysts point to recent improvement in the corn crop and that the corn harvest is now estimated to be 3 per cent larger than a year ago. Others, however, point to the continued unfavorable hog-corn price ratio and to the relatively attractive \$1.25 per bushel support price available to farmers who planted more than their allotted acreage.

FEEDER CATTLE PURCHASES have been at record levels this summer. Total shipments of feeder cattle into nine Corn Belt states during June, July and August were 35, 34 and 120 per cent, respectively, above a year ago. And movement through 10 public markets during the first half of September outpaced year ago by nearly 40 per cent.

The increase reflects an earlier movement to feedlots than a year ago. The reason is twofold: parched ranges and renewed interest in feeding due to an upsurge in fat cattle prices beginning last July. Substantial gains in purchases have occurred for both feeders weighing over 800 pounds, laid in for short feeding, and for calves to be fed until next summer and fall.

While it is difficult to judge accurately how many of the cattle are going directly onto grain feed, many observers are expecting a fast build-up of numbers on feed to a level which may equal year ago by late fall. As recently as last July, 10 per cent fewer cattle were reported on feed than a year ago. A seasonal downturn in fed cattle prices is expected when marketings of short-fed cattle increase later this year.