



**AgEcon** SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

281.9  
F.313

Federal Reserve Bank of Chicago - -

February 19, 1965



Number 792

THE NATION'S LIVESTOCK POPULATION declined slightly during the past year. The drop in the January 1 index of livestock and poultry (excluding commercial broilers) on farms and ranches to 110 per cent of the 1957-59 average was the first in seven years. Although about 1 per cent below a year earlier, it was still higher than any other previous year since World War II.

The annual U. S. Department of Agriculture estimates of livestock on farms indicates a sharp decline in numbers of hogs and more moderate reduction in number of sheep and lambs. These were only partially offset by small increases in cattle and poultry numbers and as a result overall production of meat will probably be somewhat smaller during 1965.

**Cattle Expansion Slows**

	<u>1963</u>	<u>1964</u> (millions)	<u>1965</u>	<u>Change</u> <u>1964-65</u> (per cent)
Beef cows	29.9	31.8	32.9	+3
Beef heifers	7.9	8.3	8.5	+2
Beef calves	23.3	24.6	25.1	+2
Beef steers	12.1	12.6	11.9	-5
All beef cattle	75.1	79.1	80.3	+2
Dairy cows	18.7	18.1	17.6	-3
All cattle	103.7	106.7	107.2	-
Hogs	58.9	58.1	53.1	-9
Sheep and lambs	29.8	28.0	26.7	-5
Chickens	366.8	370.0	376.7	+2
Turkeys	6.5	6.2	6.5	+4

Cattle on farms and ranches continued to increase, moving up from 106.7 million head to a record 107.2 million head as of January 1 of this year. Commercial cattle slaughter rose sharply in 1964—up 13 per cent from the year-earlier level. Imports of live cattle from Canada and Mexico dropped about one-third and the number of milk cows continued to decline. The 1964 calf crop, however, was larger than in 1963, resulting in a slight expansion in cattle numbers.

This marks the seventh consecutive year of increase in the number of cattle on farms from the low point of about 93 million in 1959—a gain of more than 15 per cent. Beef cattle numbers have risen 18 million head or about 28 per cent, while dairy cattle declined 4 million head or about 13 per cent during this period.

The increase in beef cattle numbers during 1964 of slightly more than 1 million head, however, was the smallest annual increase since the beginning of the pres-

ent cattle cycle. The increase was limited by the substantial rise in the number of beef steers that were slaughtered during the past year and the resulting smaller inventory of steers at the beginning of this year.

The total number of beef animals on farms and ranches as of January 1 was estimated at 80.3 million head. With the number of steers 5 per cent below the year-earlier level, both farmers and consumers may benefit from smaller fluctuation of beef supplies and cattle prices during 1965. A relatively slow build-up in cattle inventory is less conducive to large increases in beef supply and consequent severe price breaks.

Nevertheless, despite the heavy cow slaughter of last year, the number of beef cows continued to increase, as did beef heifers. Beef cows, two years and older, and heifers, one to two years, were up 3 and 2 per cent, respectively. As a result of the larger basic breeding herd, the 1965 calf crop will probably increase further. Unless slaughter substantially exceeds last year's record level, the number of cattle on farms will likely show a further gain during 1965. Moreover, ample supplies of feed and projected high levels of consumer demand are two important factors tending to maintain operations in the industry at a high level.

Hog numbers were estimated at 53.1 million—9 per cent below a year earlier. This was somewhat smaller than the total expected on the basis of an earlier survey (December 1964). At that time, farmers reported plans to farrow about 6 per cent fewer sows during the December through February period and about 7 per cent less in the March-May period. If farmers follow through on such intentions, marketings of hogs are likely to run well below year-earlier levels throughout most of this year.

Conferences on Agricultural Credit have been announced for four states in the Seventh District. The dates are as follows:

- Agricultural Credit Conference, Conway Motor Hotel, Appleton, Wisconsin, March 11.
- Agricultural Clinic, Purdue University, March 17-18.
- Agricultural Conference for Farm Lenders, Memorial Union, Iowa State University, March 24-25.
- Agricultural Finance Conference, Kellogg Center, Michigan State University, April 7.

Further information may be obtained from the respective universities or state banking associations.

Roby L. Sloan  
Agricultural Economist