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LIVESTOCK PRICES remain quite favorable. Prices of hogs are nearly 15 per cent above a year ago and are the highest since 1954. Cattle prices are about 20 per cent above year-earlier levels and are the highest since 1952.

CORN BELT FEEDERS have increased their purchases of stocker and feeder cattle greatly over 1957. In April an estimated 302,000 head were received in nine Corn Belt states, 43 per cent more than year earlier. In the first quarter the total increase was 32 per cent.

The estimated number of cattle on feed in the Corn Belt as of April 1 was 12 per cent above year earlier. Most of this increase is represented by cattle which had been on feed less than three months. For this group the increase over 1957 was 28 per cent. The number on feed three to six months was up 5 per cent, but the number on feed over six months was down 26 per cent from last year.

Sales of choice steers for slaughter at major Midwest markets in May were 21 per cent below year earlier, whereas in April they were 28 per cent below and in March they were 30 per cent below last year.

Cow slaughter in April continued a downward trend and was the lowest for any month in five years. Heifer slaughter in April was the lowest in four years. This reduced slaughter means that cattlemen are restocking pastures and rebuilding breeding herds.

THE PROFITABILITY OF LIVESTOCK PRODUCTION can be gauged by the returns per \$100 of feed fed. The excess over \$100 represents the margin available to cover all costs other than feed, and a profit, if any. The 1957 returns for feeder cattle and for hogs were near peak levels in the 25-year history of livestock farms participating in the Illinois Farm Bureau Farm Management Service. In only two years were returns for purchased feeder cattle above 1957 levels and in only five years were returns for hogs above 1957 levels.

Both hog and feeder cattle returns in 1957 were about 15 per cent above the 25-year averages. This represents a substantial improvement over the years 1955 and 1956 when returns were below the 25-year averages. The 1957 levels were the highest since 1953 for hogs and since 1950 for feeder cattle bought.

The time between peaks in the returns on hogs historically has been three to four years. The time between the lows has been the same. In the case of feeder cattle, however, the fluctuation has not been as regular.

Feeder cattle returns, after the violent short-term fluctuations of the mid-1930's, trended down from a peak in 1938 to a low in 1943, then trended upward to a peak in 1950. After a low in 1953 the return has trended upward although interrupted by a setback in 1955.

The years of peak returns on hogs have coincided with feeder cattle in 1935, 1938, 1942 and 1950. In 1947 and 1948 the level of returns on both hogs and feeder cattle was high. Only in the year 1953 did a peak in returns for hogs coincide with a low in returns on feeder cattle.

The variation in returns among farms keeping records is substantial. Of the farms classified as hog enterprises, the group with the highest returns had an average return in 1957 of \$197 per \$100 of feed fed. This is almost 15 per cent above the average of all farms and about 30 per cent above the average of the group of farms with the lowest returns.

Returns per \$100 of feed fed hogs

Returns per \$100 feed fed				Feeder cattle bought:			
Hogs							
Year	Level	Year	Level	Year	Level	Year	Level
1934	\$127	1935	\$174	1933	\$ 97	1935	\$152
1937	122	1938	184	1936	96	1938	142
1940	118	1942	201	1939	131	1940	136
1944	125	1946	154	1941	124	1942	136
1948	131	1950	152	1943	105	1947	138
1952	116	1953	178	1949	136	1950	170
1955	109	(1957)	172	1953	81	1954	126
				1955	106	(1957)	143

Year	High farms	All hog enterprises	Low farms
1953	\$213	\$178	\$147
1954	178	154	133
1955	129	109	82
1956	168	142	121
1957	197	172	151

Year-to-year variations are equally great for both the high and low farms. The range of returns for the average of high farms in the five-year period, 1953 to 1957, was from \$129 to \$213, while the range for the average of low farms was from \$82 to \$151.