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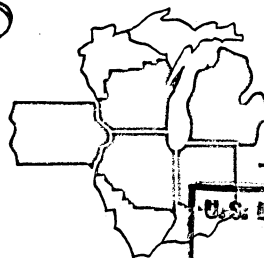
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Federal Reserve Bank of Chicago - -

January 27, 1961

# Agricultural Letter



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Number 592

**FEEDER CATTLE** were shipped into the Corn Belt later last fall but apparently were put on feed earlier than usual. The number of cattle and calves on feed on January 1 was a record high, 6 per cent above the year-earlier level. The number on feed more than three months was about the same as a year earlier but those on feed for less than three months was 8 per cent higher than the year before. This explains how the number on feed January 1 reached a new record while the number on October 1 was the same as a year earlier.

The largest increases were in the states on the periphery of the cattle-feeding areas of the Corn Belt. Farmers in Kansas had 23 per cent more cattle on feed than at the beginning of 1960 and farmers in Minnesota and South Dakota had 19 and 17 per cent more, respectively. On the other hand, the largest feeding state, Iowa, reported 1 per cent fewer cattle on feed and Nebraska reported no change.

## Cattle on Feed

|                  | January 1, 1960 | January 1, 1961 | per cent change |
|------------------|-----------------|-----------------|-----------------|
|                  | (thousand head) |                 |                 |
| Illinois.....    | 688             | 729             | +6              |
| Iowa.....        | 1,510           | 1,495           | -1              |
| Kansas.....      | 275             | 337             | +23             |
| Minnesota.....   | 416             | 495             | +19             |
| Missouri.....    | 270             | 302             | +12             |
| Nebraska.....    | 665             | 668             | —               |
| South Dakota...  | 247             | 289             | +17             |
| United States... | 7,535           | 7,950           | +6              |

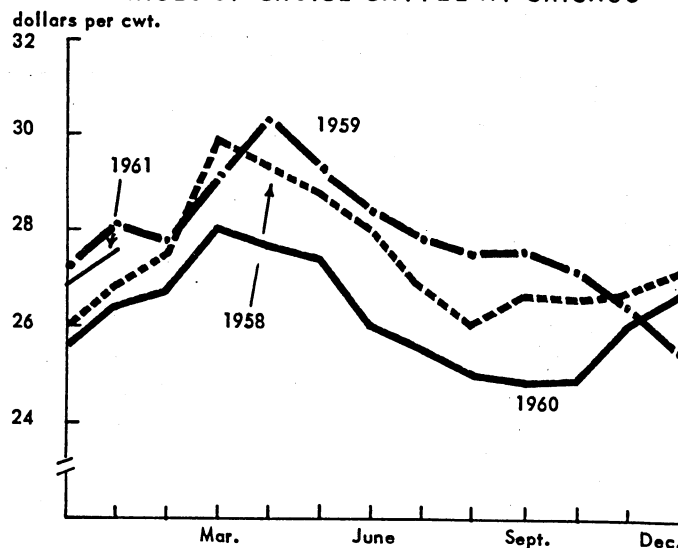
Perhaps the most revealing information is the increase in number of heavy cattle on feed. While the number weighing 1,100 pounds or more was down 3 per cent, this was more than offset by the increase of 6 per cent in the 900-1,099 pound class. An even larger increase—9 per cent—was reported for those weighing 700 to 899 pounds and 500 to 699 pounds.

## Weight of Cattle on Feed (26 states)

|                        | January 1, 1960 | January 1, 1961 | per cent change |
|------------------------|-----------------|-----------------|-----------------|
|                        | (thousand head) |                 |                 |
| Under 500 lbs. ....    | 1,311           | 1,302           | -1              |
| 500-699 lbs. ....      | 1,720           | 1,875           | +9              |
| 700-899 lbs. ....      | 2,220           | 2,411           | +9              |
| 900-1,099 lbs. ....    | 1,470           | 1,557           | +6              |
| 1,100 lbs. and over... | 452             | 438             | -3              |
| Total .....            | 7,173           | 7,583           | +6              |

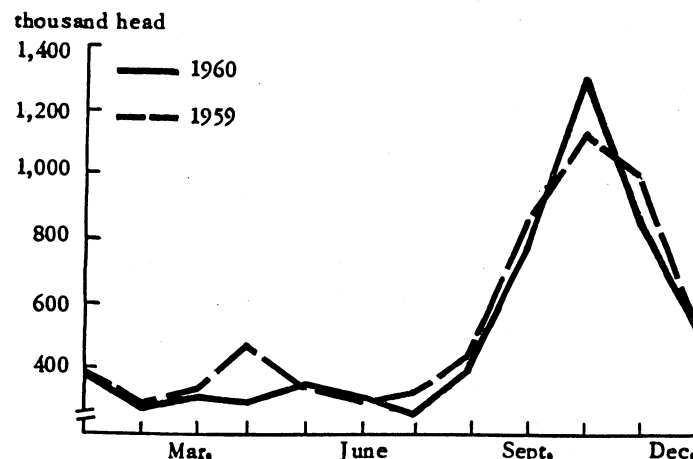
These data indicate that the number of fed cattle marketed late this winter and early in the spring will be higher than last year. If the large number of cattle now on wheat pasture is sold largely to slaughtering plants when they are marketed at the end of the winter, as many believe to be likely, the seasonal price decline for cattle will begin earlier this year than last.

## PRICES OF CHOICE CATTLE AT CHICAGO



**SHIPMENTS OF STOCKER AND FEEDER CATTLE** into the Corn Belt from January through December totaled 3 per cent below last year. From July through September the shipments lagged last year but the seasonal peak in October was 16 per cent above the 1959 level shipments, then fell 12 per cent below last year in November and were at the same level in December.

## FEEDER CATTLE AND CALVES RECEIVED 8 Corn Belt States



Research Department

# FARM BUSINESS CONDITIONS

December 1960, with comparisons

| I T E M S                                                             | 1960     |                    | 1959               |
|-----------------------------------------------------------------------|----------|--------------------|--------------------|
|                                                                       | December | November           | December           |
| <b>PRICES:</b>                                                        |          |                    |                    |
| Received by farmers (1947 - 49 = 100) .....                           | 89       | 89                 | 85                 |
| Paid by farmers (1947 - 49 = 100) .....                               | 119      | 119                | 118                |
| Parity price ratio (1910 - 14 = 100) .....                            | 81       | 81                 | 78                 |
| Wholesale, all commodities (1947 - 49 = 100) .....                    | 120      | 120                | 119                |
| Paid by consumers (1947 - 49 = 100) .....                             | --       | 127                | 126                |
| Wheat, No. 2 red winter, Chicago (dol. per bu.) .....                 | 2.08     | 2.02               | 2.00               |
| Corn, No. 2 yellow, Chicago (dol. per bu.) .....                      | 1.05     | .99                | 1.12               |
| Oats, No. 2 white, Chicago (dol. per bu.) .....                       | .66      | .62                | .79                |
| Soybeans, No. 1 yellow, Chicago (dol. per bu.) .....                  | 2.23     | 2.11               | 2.16               |
| Hogs, barrows and gilts, Chicago (dol. per cwt.) .....                | 17.49    | 17.65              | 11.87              |
| Beef steers, choice grade, Chicago (dol. per cwt.) .....              | 26.86    | 26.08              | 25.57              |
| Milk, wholesale, U.S. (dol. per cwt.) .....                           | 4.59     | 4.65               | 4.49               |
| Butterfat, local markets, U.S. (dol. per lb.) .....                   | .60      | .61                | .62                |
| Chickens, local markets, U.S. (dol. per lb.) .....                    | .15      | .15                | .16                |
| Eggs, local markets, U.S. (dol. per doz.) .....                       | .44      | .46                | .31                |
| Milk cows, U.S. (dol. per head) .....                                 | 217      | 215                | 218                |
| Farm labor, U.S. (dol. per week without board) .....                  | --       | 43.75 <sup>a</sup> | 42.00 <sup>a</sup> |
| Factory labor, U.S. (dol. earned per week) .....                      | 90.02    | 90.16              | 92.16              |
| <b>PRODUCTION:</b>                                                    |          |                    |                    |
| Industrial, physical volume (1947 - 49 = 100) .....                   | 156      | 159                | 165                |
| Farm marketings, physical volume (1947 - 49 = 100) .....              | 142      | 171                | 159                |
| <b>INCOME PAYMENTS:</b>                                               |          |                    |                    |
| Total personal income, U.S. (annual rate, bil. of dol.) ...           | --       | 410                | 394                |
| Cash farm income, U.S. <sup>1</sup> (annual rate, bil. of dol.) ..... | --       | 35                 | 36                 |
| <b>EMPLOYMENT:</b>                                                    |          |                    |                    |
| Farm (millions) .....                                                 | 4.9      | 5.7                | 4.8                |
| Nonagricultural (millions) .....                                      | 61.1     | 61.5               | 60.9               |
| <b>FINANCIAL (District member banks):</b>                             |          |                    |                    |
| Demand deposits:                                                      |          |                    |                    |
| Agricultural banks (1955 monthly average = 100) .....                 | 103.0    | 104.4              | 103.0              |
| Nonagricultural banks (1955 monthly average = 100) .....              | 107.1    | 104.6              | 107.7              |
| Time deposits:                                                        |          |                    |                    |
| Agricultural banks (1955 monthly average = 100) .....                 | 136.9    | 136.8              | 130.0              |
| Nonagricultural banks (1955 monthly average = 100) .....              | 134.6    | 133.6              | 125.7              |
| <sup>a</sup> October                                                  |          |                    |                    |
| <sup>1</sup> Based on estimated monthly income.                       |          |                    |                    |

Compiled from official sources by the Research Department, Federal Reserve Bank of Chicago