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A NEW HIGH IN MEAT PRODUCTION was attained in 1954, and another record outturn from livestock farms is expected in 1955. The uptrend in meat production since 1949 was spurred by strong consumer demand for meat and plentiful feed supplies. Meat production in 1954 will be nearly 3 per cent above year-earlier amounts--1955 is expected to show a further moderate increase. In 1951-1954 beef output spearheaded the rise in total meat production. In 1955 the picture is expected to change, with pork accounting for the increase. Another year of increased output is expected before a probable 1956 downturn in the hog cycle. Output of beef will probably show little change.

THE NUMBER OF HOGS raised, after declining for two years, increased by 12 per cent in 1954. The expansion was stimulated by a favorable hog-corn price ratio which for 19 consecutive months remained above 13. Under the influence of declining hog prices and higher corn prices, the rate of hog expansion is expected to be curbed in 1955.

Present indications point to a 1954 fall pig crop 9-12 per cent above 1953. A recent survey in six Corn Belt states indicates that December-February farrowings would be up 11 per cent; this increase is relatively small in view of the fact that farrowing dates have consistently been earlier. The 1955 spring crop is likely to show a smaller expansion as the hog-corn price ratio will probably average near 13 during the fall-winter breeding period--a level which in the past has not increased the number of sows farrowing. However, some expansion is anticipated because of the large supply of feed grains and the reduced number of farmers eligible for CCC loans on corn.

Hog prices have held up better than was expected this fall in view of the large increase in farrowings 7-8 months earlier. Apparently marketing is being delayed as hogs are withheld to "clean up" corn fields. This is indicated in part by the heavier weights of hogs now coming on the market. Heavy hogs are discounted quite heavily--up to 2 dollars per hundredweight. Marketings during the past week were up sharply from a year ago and based on spring farrowings should be up 10-15 per cent during November and December.

After the fall marketings are worked off--possibly by late December--a seasonal rise of somewhat less than normal amount, possibly 3 to 4 dollars, is indicated by some market analysts. Through 1955, prices are expected to bear an average relationship to the price of corn or near the average levels existing this winter.

CATTLE NUMBERS, which have been building up since 1949, are expected to fall below the 94.7 million head reported in January 1954. The large slaughter of cows and heifers in the past year indicates that the expansion in the size of the breeding herd has been halted. It is probable that the number of cattle on farms and ranches will be reduced somewhat in the next year or so. A rapid liquidation could lead to sharply reduced prices, but that probably would develop only under the pressure of a severe drought. A slow downtrend would not alter the total beef supply greatly, and prices probably would hold near 1954 levels.

While 3 per cent less cattle were on feed in three Corn Belt states on October 1, 1954, than in 1953, in-shipments of feeder cattle during July-October were 16 per cent larger than a year ago. This indicates that the number of cattle to be placed on grain feed in the winter months will be larger than a year earlier.

With feeder cattle costing more this fall and feed prices somewhat higher, profits will be shaved below last year's favorable level if fat cattle are sold for prices about the same as this spring. And cattle prices, after sharp declines in 1952 and 1953, are not expected to change much from 1954 average levels in the coming year.

Income from meat animals is expected to hold up well compared with cash crops restricted by acreage allotments. The production of both pork and beef probably will be less profitable than in 1954, but well-managed and efficient operations should continue to show favorable results.

