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HIGHER PRICES have boosted the value of livestock on farms during 1957 by 27 per cent. Recent USDA estimates place the total value on January 1 at 14.2 billion dollars.

Only small changes are reported in number of livestock on farms. Cattle, down about 1 per cent; milk cows, down 2 per cent; hogs, unchanged; poultry, horses and mules, down about 6 per cent.

U. S. average values per head are as follows:

	1957	1958	Per cent increase
All cattle . .	$ 91.60	$120.00	31
Milk cows . .	147.00	176.00	20
Hogs	24.70	30.10	22
Sheep	14.90	19.40	30

The current reduced supply of meat animals and the related increase in prices indicate that inadequate feed has been converted into livestock products during the past year. This, of course, is amply evident in view of the large build-up in stocks of feed grains.

At the close of the 1957 crop year, the feed grain carry-over amounted to 60 million tons, equal to 42 per cent of the 1957 harvest. The total supply of concentrates available for livestock feed in 1957-58 amounts to 218.5 million tons, 25.5 per cent above the 1950-54 average of 174 million tons.

Only limited outlets are available for feed grains in uses other than livestock feed. Small amounts are utilized in various industrial processes and in export. In 1957, for example, about 85 per cent of all corn utilized was used as feed. Thus, the feed grain supplies now available will, in all probability, be consumed largely as livestock products.

The stage is being set for an increase in livestock production. Farmers have reported plans to increase hog production somewhat in the current year, and there probably will be a further increase in 1959. While the number of cattle on farms at year end probably will be somewhat smaller than the 93.9 million on January 1, it appears that the downtrend in the cattle inventory is coming to an end. Meanwhile, the stock of surplus feed grains continues to increase.

One possible solution, proposed by Professor T. W. Schultz, University of Chicago, is to withdraw price supports from feed grains, but provide farmers a guaranteed price of, say, $13 per hundredweight for hogs in the next two years. Surplus feed grains would be fed to hogs and consumers would benefit by the increased pork production. To assure that all hogs would be marketed and consumed, the market price would be left free and if it fell below $13 the Government would pay farmers the difference between the market and the guaranteed price.

HOG RECEIPTS at major Midwest markets during the first half of February fell about 20 per cent below year-ago levels. The resulting rise in hog prices has pushed the hog-corn price ratio at Chicago to almost 18 to 1. Hog producers find a ratio this high to be very profitable, a situation which in the past has always resulted in expanded output.

While the small receipts of hogs in recent weeks is due in part to severe weather, still, receipts this winter have been somewhat smaller than expected. Based on estimates of numbers of pigs raised and the indicated holding back of an additional half million sows and gilts for 1958 spring farrowing, it appeared that about 2.6 million fewer hogs would be marketed in 1957 than in 1956. Actual 1957 slaughter showed a larger decline and led to speculation that (1) farmers were holding back a larger than indicated number of gilts and (2) that hogs were being retained on farms and fed to heavy weights and would be marketed in large number in late winter.

A clue is given by the January 1 livestock inventory estimates. Hogs over 6 months old on January 1, excluding breeding stock, numbered 9 per cent fewer than a year earlier.

Hogs under 6 months in the Corn Belt were up 4 per cent from a year ago. Apparently the increase consisted mainly of hogs 4 to 6 months old on January 1. (The number of pigs farrowed in June-July-August 1957 showed a gain of 6 per cent from year earlier, while September-October-November farrowings were off one-half per cent.) Consequently, hog marketings should soon reflect the larger January 1 inventory of pigs in the 4-6 months age category even if fed to heavy weights before being marketed.

Sows and gilts over 6 months old on January 1 numbered 5 per cent above a year ago, reflecting intentions reported in December to farrow 6 per cent more spring pigs in 1958. Some farm managers hold the opinion that the 1958 spring crop will be increased substantially more than 6 per cent, although solid evidence to this effect is not yet at hand.

Research Department