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**Federal Reserve Bank of Chicago - -**

October 23, 1959

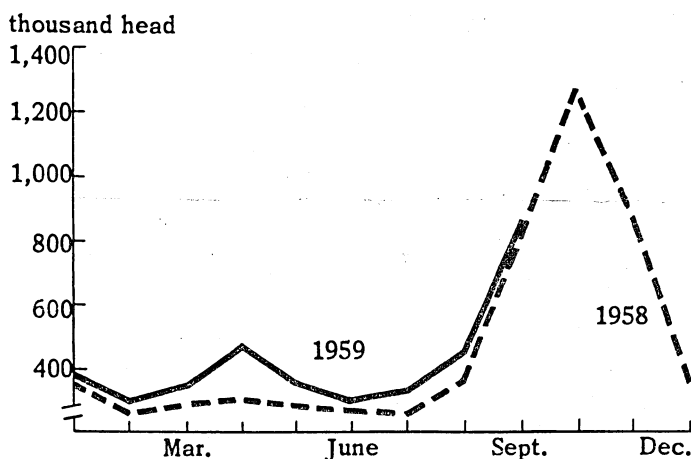
The number of feeder cattle received in nine Corn Belt states in September was 6 per cent above the year-earlier figure. In the three months, July, August and September, the increase over year ago was 15 per cent.

**Stock and Feeder Cattle and Calves Received**

	September		July-September		Per cent change 1958-1959	
	1958	1959	1958	1959	Sept.	July-Sept.
	----- (thousand head)-----					
Illinois.....	183.1	172.8	303.9	320.8	-6	+6
Indiana.....	34.2	53.2	64.8	87.0	+56	+34
Iowa.....	351.6	372.8	635.0	717.2	+6	+13
Minnesota...	80.5	79.0	135.8	151.4	-2	+11
Nebraska....	119.3	132.0	198.8	253.6	+11	+28
Nine states ..	814.7	861.6	1,427.6	1,635.3	+6	+15

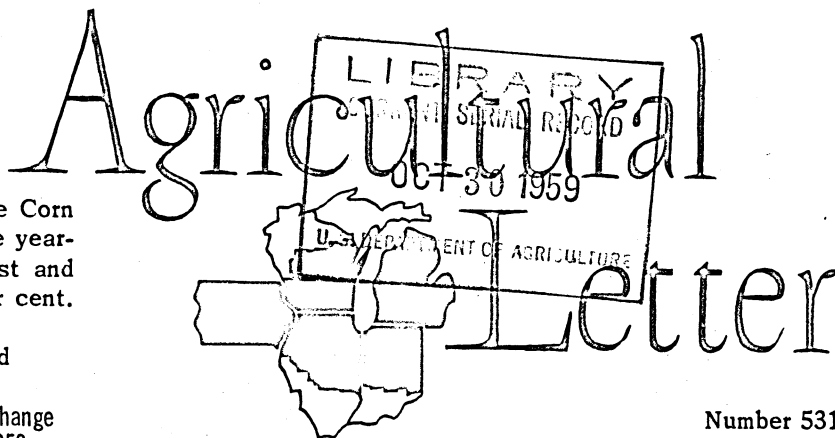
Supplies of stocker and feeder cattle at Midwest terminal markets have expanded seasonally and at mid-October were well above year earlier. Feed supplies have continued above average in many of the grazing areas, and many cattle now arriving at markets are heavier than last year. In the summer, weights had been running below last year.

**FEEDER CATTLE AND CALVES RECEIVED  
nine Corn Belt states**



With the volume of feeder shipments continuing to be above last year's high level, prices of feeders have been declining and are now more than 5 per cent below year-ago prices. In the face of declining market prices, many producers of feeder cattle are holding light animals to graze wheat pastures. So far, however, little wheat land is available for grazing.

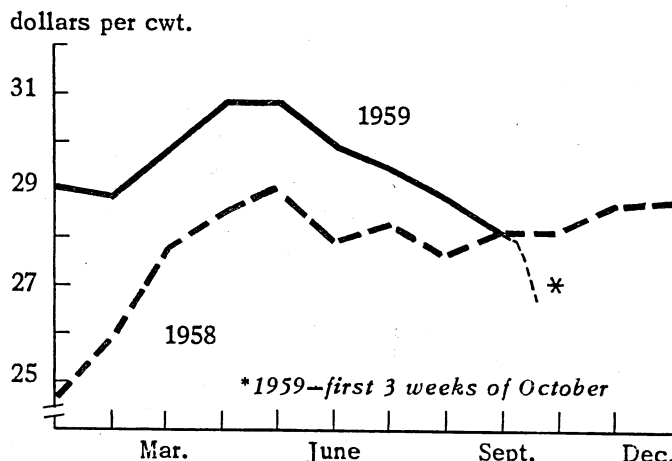
The total number of cattle and calves available for feeding this fall is above that of last year. The calf crop is estimated to be 2 per cent higher; the increase in



Number 531

beef calves is somewhat greater. The inventory of beef cattle last January 1 showed relatively large increases in young animals which would be available as yearling feeders this fall.

**FEEDER STEER PRICES**  
average of good and choice 500-800 lb.  
at Kansas City



The demand for feeder animals can be related to the feed supplies available and the price prospects of fat cattle. Both of these factors would indicate a greater demand this year. Estimated corn production of 4.4 billion bushels is 17 per cent above last year's record and, aside from any unused losses during harvest, total production of feed grains will be 7 per cent higher than in 1958. Prices of choice and prime fat cattle have been consistently above last year's levels since spring. However, the number of cattle currently in feedlots have a depressing effect on both the trend of prices and the number of Corn Belt farmers currently bidding for replacements.

One result of the larger number of cattle in the feedlots, especially the increase in number that had been on feed six months or more, has been a rise in the volume of loans renewed by banks in the cattle feeding areas. Feeders intend to market about two-thirds the cattle on feed on October 1 in the last quarter of the year. This would be 24 per cent above the number marketed in the October-December period last year.

Research Department