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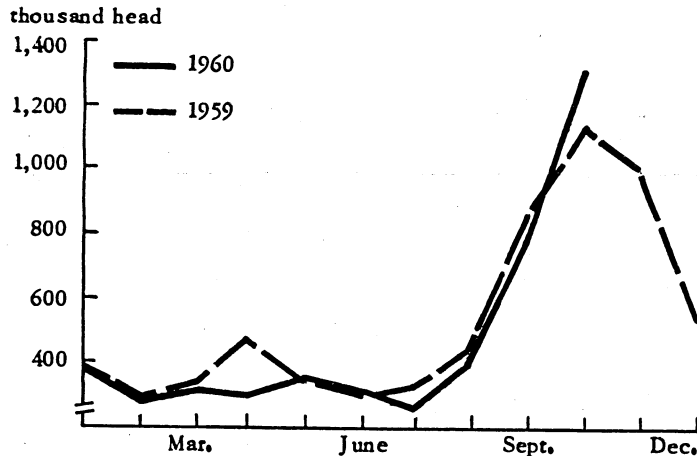
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Agricultural Letter

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SHIPMENTS OF FEEDER CATTLE into the Corn Belt have been below 1959 levels most of this year but in October were 16 per cent above the year-earlier levels. As a result total inshipments since July are now only 1 per cent below last year.

FEEDER CATTLE AND CALVES RECEIVED
8 Corn Belt States



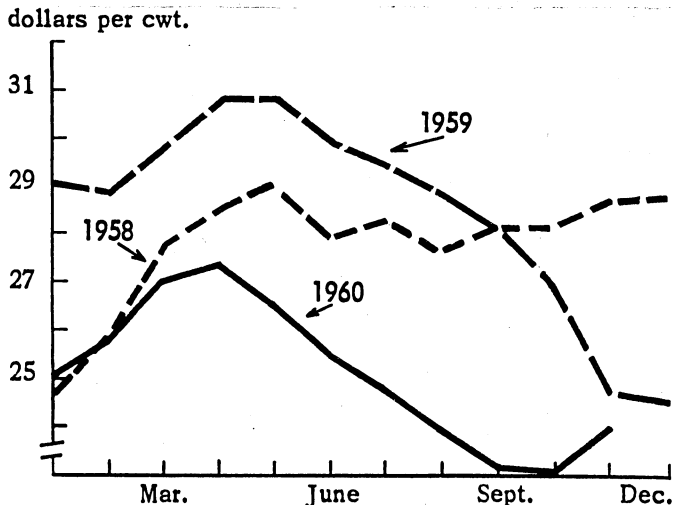
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a corn crop 5 per cent smaller than last year may be partly responsible. Indiana has received nearly 40 per cent more cattle than last year.

CORN HARVESTING has progressed quite rapidly: 85 to 90 per cent completed in Iowa and virtually completed in all but the northern areas of Illinois and Indiana. Harvesting is now ahead of the year-earlier pace, and in some areas exceptionally high yields and low field losses are reported. High moisture content is a problem in some areas, and dryers are working steadily. In Wisconsin, harvesting has lagged because of wet weather and high moisture content.

Ample feed supplies and strength in the fat cattle market this fall, in contrast with the decline last fall, have encouraged Corn Belt feeders to step up purchases of feeder cattle in October and November. As purchases picked up, prices also began to rise. Since early October a consistent and progressively stronger price trend has featured trading, and by the end of November stocker and feeder prices were about the same as in the corresponding period a year ago.

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



One consequence of the record crop this fall has been a decline in the price received by farmers. On November 18 corn sold by United States farmers averaged 87 cents a bushel, compared with 98 cents a year earlier. In most of the Corn Belt states prices were 15 cents or more below October of last year.

The lower support price on corn this year—\$1.06 a bushel national average compared with \$1.12 last year—accounts for only part of the difference. The remainder must be ascribed to the larger crop and a shortage of both farm and commercial storage space. Many country and even some terminal elevators are "filled up" and have had to refuse corn offered to them. Supplies of materials for the construction of temporary corn storage have been depleted in many areas.

Once the overflow has been disposed of, corn prices should rise to support levels, unless unfavorable weather prevents a normal drying of the grain to moisture content levels required for CCC loans. However, the heavy supplies of all feed grains in most areas will tend to keep prices from moving very much above support levels.

FARM PRICES in November averaged 4 per cent above year earlier as higher prices for hogs, eggs and citrus fruit offset lower prices on corn and feed grains. With interest, taxes and farm wage rates significantly higher than in 1959, prices paid by farmers were slightly above year earlier. Reflecting the higher farm prices the parity ratio was 81 compared with 78 last year. From October to November prices paid, prices received and the parity ratio remained essentially unchanged.

For the four months, July through October, only Iowa and Nebraska had smaller inshipments of feeder cattle this year, down 9 and 4 per cent, respectively. In Iowa

Research Department