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MN 2000 EP-no.16

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UNIVERSITY OF MINNESOTA (1)

Agricultural Extension Division (2)

University Farm, St. Paul, Minnesota

THE LIVESTOCK SITUATION

By W. L. Cavert

Pamphlet No. 16
October 1930

UNIVERSITY OF MINNESOTA
DOCUMENTS

SEP 13 1976

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AGRICULTURE, EXTENSION DIVISION, F.W. PECK, DIRECTOR,
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THE COOPERATIVE AGRICULTURAL EXTENSION WORK PROVID-
ED FOR IN THE ACT OF CONGRESS OF MAY 8, 1914.

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THE LIVESTOCK SITUATION

By W. L. Cavert

Decreased demand due the general dullness in business has been a big factor in depressing the prices of agricultural products during recent months. This is shown by the fact that agricultural prices during recent months have been decidedly lower than a year previous in spite of the fact that in most cases there has been no increase in marketings. For example, during September, 1930, the average price of native beef steers at Chicago was \$10.90 compared to \$13.60 in the same month of 1929, but cattle receipts were six per cent smaller at seven leading markets in September 1930 than in 1929.

In the case of hogs, the average September price at Chicago was \$10.00 compared to \$9.95 in 1929. This was a decline of only 5 cents per hundred-weight but receipts were eight per cent less in September 1930 than in 1929.

On September 23, farm product prices according to the Annalist were down to 114 compared to 109 on July 29 and to 145 on September 24, 1929. This is on the basis of 1913 being figured as 100 per cent. The Annalist index of business activity stood at 82 in August, 1930 compared to 107 in August, 1929. The same source puts pay-rolls in August, 1930 at 81 compared to 109 in the same month in 1929. Building activity in August was only about 50 per cent of normal. Wool, cotton and meat are products that are particularly affected by an adverse business situation. While one cannot be certain that bottom has been reached, it is the general concensus of opinion that we have already reached or nearly reached bottom.

Feed Situation:

The following figures show the estimated 1930 crops for the United States compared to the five year average.

Kind of crop	Estimated for Oct. 1, 1930	Average for 1924 - 1928
Corn, bushels	2,046,000,000	2,699,809,000
Oats, bushels	1,410,000,000	1,371,786,000
Barley, bushels	328,000,000	240,742,000
Tame Hay, all kinds, tons,	84,100,000	96,630,000

In Minnesota, feed conditions are much more favorable than in most other Central and Eastern States. The following figures show the yield of feed crops in Minnesota compared to the five year average.

Kind of crop	Estimated for Oct. 1, 1930	Average for 1924 - 1928
Corn, bushels	136,647,000	137,379,000
Oats, bushels	171,351,000	159,332,000
Barley, bushels	58,311,000	39,739,000
Tame hay, tons	3,626,000	4,021,000

Replies to a questionnaire sent to county agents indicates the following situation in Minnesota as regards roughage;

Ten counties will need to ship in roughage
Twelve counties will have alfalfa to spare
Seventeen counties will have prairie hay to spare
Eleven counties may need to ship out livestock
to a greater extent than usual.

Estimates by the U. S. Bureau of Agricultural Economics made in August indicated that Minnesota had 94 per cent of her normal feed supplies, while the average for 28 states was 70 per cent. This indicates that many Minnesota farmers can go ahead with their normal livestock program at a time when other sections will find it necessary to curtail livestock numbers to some extent.

Farmers should carefully estimate the amount of feed required until the 1931 crop is available and set this against available supplies. If feed is to be purchased one should make certain of getting it at present reasonable prices or else sell sufficient livestock so that an adequate roughage supply will be available for those that remain.

A reasonable number of well fed animals will make more money than distributing available feed among so many mouths that all the livestock comes through the winter in thin condition. Much more use than usual can be made of inferior roughages such as shredded fodder, straw and slough hay by increasing the allowance of oil meal or other high protein concentrates.

Hog Situation:

The concensus of opinion is that hog producers are in favorable position for the coming year as expansion for the country as a whole is impossible with available feed supplies. It is likely that feeder pigs and light hogs will sell at some discount during the fall and early winter. The June pig summary, showed the estimated spring pig crop to be six per cent less than in 1929. The decrease in eleven corn belt states was three per cent. In Minnesota, the number of pigs saved was estimated to be the same as in 1929. It is likely that the fall pig crop will be under that of 1929 as poor corn prospects likely caused some sows to be sold that would otherwise have been retained.

The following figures show the average monthly prices of hogs at South St. Paul for the post war years 1921 - 1929 inclusive.

	Light Butchers 160 - 200 lbs.	Heavy Butchers 250 - 350 lbs.
September	\$10.38	\$9.85
October	9.54	9.40
November	8.63	8.65
December	8.61	8.60
January	9.13	9.06
February	9.60	9.35
March	10.16	9.84
April	9.82	9.61
May	9.67	9.44
June	9.64	9.41
July	10.34	9.88
August	10.55	9.87

Of course, in any one year, the trend may be decidedly different than the long time average. These figures indicate that there is normally an increase in price of heavy butchers of \$.78 per hundred-weight between January and March. In years of short corn crops, there is usually decidedly more than the average seasonal advance in price between the early and late winter marketings. Also in years of short corn crops, the hogs of 250 to 300 pounds usually sell as well or better than those of lighter weight.

As previously noted, most Minnesota producers have fairly adequate feed supplies and are in a position to continue operations on a normal basis. A few sections that have better than a normal corn crop, might find it profitable to expand the number of sows in a conservative manner.

Producers should give particular attention to keeping the fall pig crop thrifty as fall pigs are likely to find a favorable market. It is likely to pay well to buy necessary protein supplements for them if an adequate supply of skim milk is not available. Attention should also be given to keeping them in dry quarters and in separate lots from the older hogs.

Producers, even in sections that have available corn, may find some substitution of barley, oats, wheat and rye profitable upon the basis of present prices (Sept. 30). It is almost certain that corn will be in active demand during the summer of 1931.

Beef Cattle:

The August 26th report of the U.S. Department of Agriculture is relatively optimistic as to possible profits for cattle feeders, especially for those who have liberal supplies of local feed and who time their feed operations so as to sell their cattle in the summer of 1931. The report says, "In previous years of short corn crops, and declining cattle prices, there was a pronounced tendency for cattle feeders to curtail feeding operations. This resulted in smaller supplies of fed cattle, particularly long fed, well finished cattle, coming on the market during the following year, and this in turn caused a marked advance in the price of such cattle. The movements of cattle prices after the harvesting of a short corn crop were especially favorable for well finished cattle marketed in the following summer and in the late fall after harvest, and for the lower grades marketed in the spring."

Although corn production has been materially reduced, the crop in the principal cattle feeding areas will be relatively better than in other sections. The long time tendency is toward expansion of cattle numbers since the low point of the present cycle was reached in 1928. On January 1, 1928 there were 55,676,000 cattle in the United States. Since that date, the number up to January 1, 1930 had increased four per cent. It does not seem likely that the present shortage of feed supplies will materially slow up the long time tendency toward expansion in cattle numbers.

Dairy Outlook:

The present low level of production and recent increases in price of butter are due primarily to the very poor pastures. September first reports to the U.S. Department of Agriculture indicated that pasture conditions were the poorest in 50 years. The poor pastures, and consequent decreased production have assisted to reduce storage stocks so that October 1, 1930 stocks were 130,753,000 pounds compared to 158,541,000 pounds on the same date in October 1929. Farmers throughout the country are faced with a shortage of hay as well as of grain, the 1930 crop being about 78 per cent of the five year average. In Minnesota the crop is 92 per cent of the five year average.

The cows in many sections will enter the winter in thin flesh and even if well fed will produce less than a normal flow of milk. Minnesota is fortunate in that most sections are fairly well supplied with both hay and grain. Present low prices for oats, barley, and protein concentrates suggest that it will be good policy to feed grain liberally. However, those who will need to purchase grain should make sure of an adequate supply at present low prices. Farmers who are short of hay and fodder should in most cases cull their herds to the point where the forage supply will be adequate for those that remain. To some extent, cheap oats may be used as a hay substitute. It is usually unprofitable to buy shipped in hay in any quantity except for especially high class animals.

Sheep:

"The long time outlook for the sheep industry is for a considerable reduction in sheep numbers both in this country and abroad." The United States lamb crop of 1930 was about 2,000,000 or 8 per cent larger than the crop of either of the two preceding years. Eighty per cent of the increase was in the western sheep states.

"The demand for stocker and feeder sheep and lambs for the year to date has been materially below that for the corresponding period in 1929. Despite increased receipts of lambs at public stockyards and decreased prices for feeder lambs, the shipments of feeder stock from these yards to the country have been the smallest in several years. Purchasing power of consumers has been materially reduced and the larger supplies for slaughter have been taken at greatly reduced prices."

Many new flocks have been started in Minnesota in recent years and are usually a minor part of the business. From 1923 to 1930, the number of sheep on Minnesota farms increased from 400,000 to 805,000 or an increase of over 100 per cent. For the United States, the increase in the same period was 31 per cent. Minnesota farmers are in better position to maintain their flocks than those in sections where sheep are a major enterprise.

Over a period of years, sheep are a good kind of livestock for many Minnesota farmers and they can expect that over a period of years sheep will be profitable.

THE POULTRY SITUATION

By Cora E. Cooke

Naturally, the present status of poultry and egg prices does not encourage great increases in poultry raising among farm flock owners, yet the outlook is far from discouraging. The mid-year forecast of the United States Department of Agriculture indicates that there is no reason for greatly curtailing production. This report states that the large increase in the number of chicks hatched early last spring has not resulted in any appreciable increase in the number of young chicks on farms. The report states further that the number of layers in farm flocks on July first was only about one per cent greater than on that date last year and it was four per cent less than on the same date in 1928 or 1927. The drought and low prices combined had a drastic tendency to cut egg production. On October first, total storage supplies of poultry were only about three-fourths of those of a year previous.

An encouraging part of the report was that from January to June of this year about fifteen per cent more poultry had been used than during the same period in 1929. Dressed poultry in storage has decreased materially since July 1, but the October 1 report shows an increase in storage holdings of eggs of nearly thirty per cent over last year. Production is not likely to be as heavy this fall because pullets are not as well matured due to the drought and lack of as good feeding as usual.

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