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EC61-808 Nebraska Livestock and Feed Roundup for 1961-62

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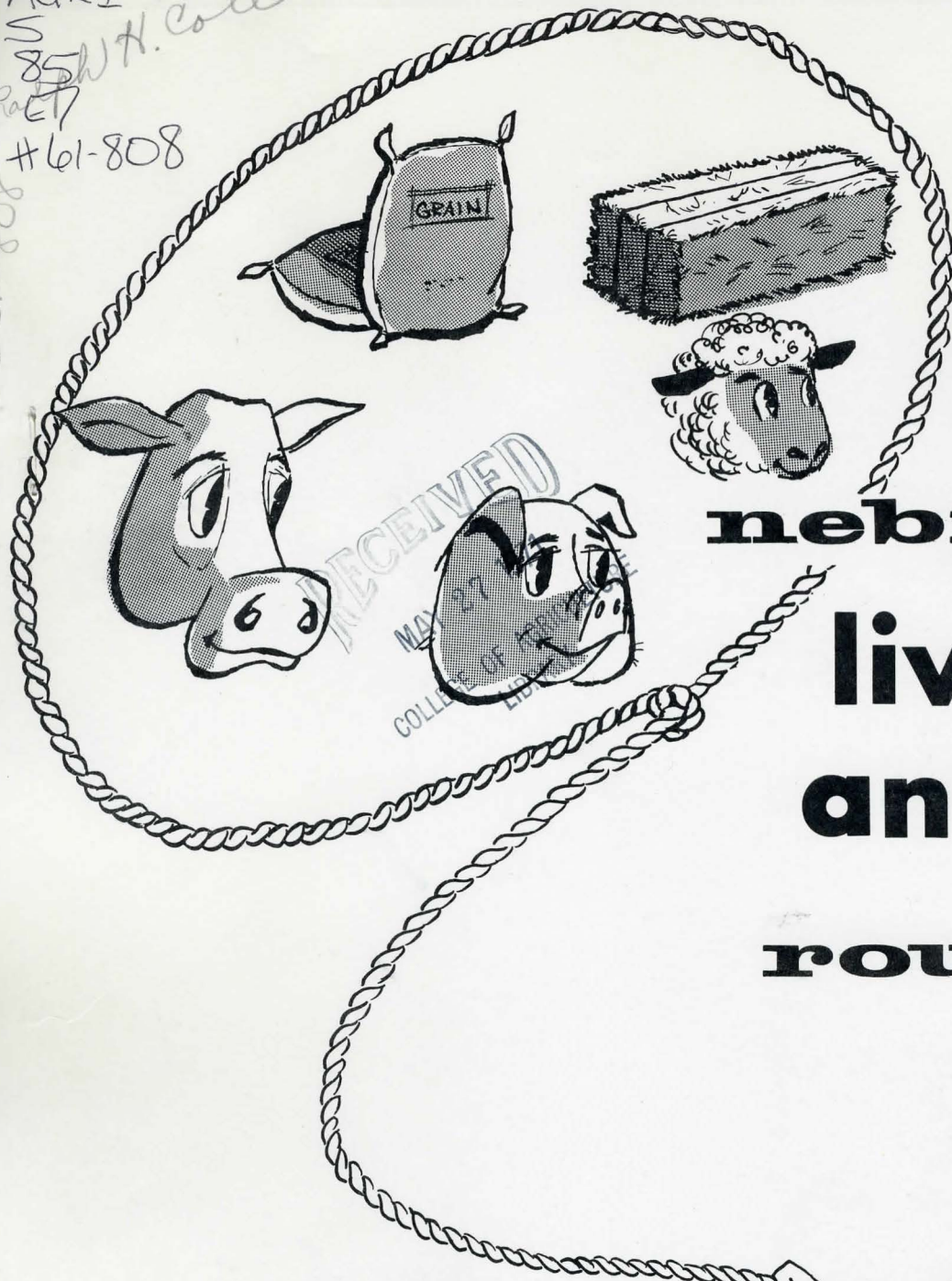
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nebraska livestock and feed roundup

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CONTENTS

	Page
Introduction.	1
<u>The Business Outlook for 1961-'62</u>	3
Agricultural Income	4
Credit Availability	4
Meat Supplies and Demand.	4
<u>Feed Supplies and Prices.</u>	6
Less Feed Production in '61	6
Higher Feed Prices	8
<u>Beef Cattle Outlook</u>	10
Cattle Numbers.	10
Feeder Cattle	10
Slaughter Cattle.	11
<u>Hog Outlook</u>	13
<u>Lamb Feeding Outlook.</u>	14
<u>How to Compute Break-Even Feeder Prices</u>	15
<u>Tables</u>	
1. Per Capita Consumption of Meat in the U.S..	5
2. Feed Crop Acreage and Production, Nebraska and U. S., Estimated as of August 1, 1961, with Comparisons.	7
3. Estimated Feed Concentrate Supplies, U. S., 1955-59 Average, 1960, 1961, Year Beginning in October	8
4. Nebraska Feed Grain Prices.	9
5. Beef Cattle on U. S. Farms and Ranches, January 1, 1958-62.	9
6. Average Price Stocker and Feeder Steers, 500 lbs. and Over, 10 Markets, 1955-61	11
7. Federally Inspected Hog Slaughter by Quarters, 1960-1961.	13
8. Break-Even Feeder Prices. Charts A through H	

INTRODUCTION

Higher grain prices constitute the dominating factor in the livestock feeding outlook for the 1961-62 season. With a strong economy and a strong demand for meat products, a record supply of meat per person will be consumed at prices slightly below last year. With lower feeder prices, feeders in general should do as well or better than in the year just past.

Hog slaughter during November and December will be above last year and record numbers of broilers and turkeys will also compete for the consumers' meat dollar.

Possible threats to stability in slaughter prices are (1) a bunching of cattle and hog marketings and an expansion and extension of the drought in Montana and North Dakota. The availability of abundant wheat pasture could also affect slaughter as well as feeder prices this fall as it did a year ago.

Feed supplies of all types, although less than last year, will be in ample supply, both nationally and over the state. Feeders who have the appropriate resources (grain, roughage, labor, equipment, and management skill) should be able to market them advantageously through a carefully chosen feeding program this year. Factors to watch when designing a feeding program include:

1. Trends in livestock numbers, production and prices.
2. Probability of increasing farm income through feeding, considering use of buildings and equipment, labor and management, and unharvested forage and grain.
3. Relative costs of feeds, and feeding efficiencies of various combinations thereof.
4. Alternative uses for capital, and ability to assume risk. (Some feeding programs involve more risk than others.)
5. Your skills and preferences in buying, producing and marketing livestock.
6. Demand conditions expected when your livestock will be ready for market.

This circular summarizes the livestock and feed outlook for 1961-62, based on conditions in August, 1961. The dynamic nature of economic, political and weather conditions requires constant attention and adjustments which fit the situation as it develops from week to week.

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THE BUSINESS OUTLOOK FOR 1961-62

Our national economy has been in a slight recession and is now rapidly coming out of it, but unemployment remains high. There are several factors that point to a healthy and stable economy for the next year, including:

1. Consumer spending and consumer durable sales are up. The spending for services has continued to increase during this mild recession.
2. Housing starts have been up since June and the new housing law will encourage this trend. The vacancy rates on rental property has been very high (8 percent during the first quarter of 1961) and increasing. Part of the reason for the continued construction of rental property in face of these high vacancy rates are tax loopholes or gimmicks that can be worked with the construction and sale of this property.
3. Automobile sales have been up since July. Inventories are down from last year and are low when the increase in the number of models is considered. A still greater number of 1962 models are coming out earlier this fall which should encourage auto sales.
4. The money market was tight and interest rates were at a recent high during the fall of 1959. These were eased considerably in early 1960 as this slight recession started. Interest rates did not decline much because the U. S. was having a balance of payments problem during 1960. In view of the current high rate of unemployment (6.2%), interest rates are expected to remain stable for the coming year to encourage business expansion.
5. Three other factors that affect our economy are: (1) the level of private investment (new construction, new durable equipment, and inventories); (2) the level of government spending (national, state, and local); and (3) the surplus or deficit in government expenditures and receipts. All three of these factors are on the side of improving our economy. Private investment has increased sharply from the first (\$59.8 billion yearly rate) to the second quarter (\$68.0 billion) of this year and by this fall is expected to be above last year (\$72.4 billion). Federal, state, and local purchases of goods and services have been above last year (\$108.1 billion) and are expected to continue to increase. The federal government is running at a \$8.4 billion deficit rate during the second half of 1961 which is giving the economy a healthy boost. But the federal budget for the first half of 1962 calls for a cut to a rate of \$4.2 billion deficit. The effect on the private economy by this cut in the federal deficit will be more than made up by the expected increase in private investment.

On the other side of the picture is the high rate of unemployment and the comparatively low level of business spending for plant and equipment. Spending for plant and automation equipment was high during the spring of 1960 which has resulted in a considerable increase in productivity per worker, but has kept unemployment high. If businessmen find that their current plant and equipment is not keeping pace with the economy, this negative factor could become positive and help create boom conditions.

The order-sales ratio has been a good indicator of the production six months later and the expenditures for plant and equipment a year later. In the past 18 months this ratio has moved from slightly below 1.0 up to 1.0, indicating the economy should be stable for the coming year.

Putting all this together, the Gross National Product should increase from \$508 billion this year to about \$545 billion in 1962. Included in this projection

is a 1% price rise. This means that real incomes (in constant dollars) per person will increase slightly.

The main uncertainty in the business outlook is the international situation. Our analysis is based on the assumption that tension will prevail, but that war will not occur. A major change in foreign affairs would obviously mean drastic changes on the domestic scene. If war should occur, the economic activity and the demand for farm products will greatly increase.

Agricultural Income

Net farm income for 1961 is expected to be \$13.0 billion, up about \$1.5 billion from last year. Part of this increase is due to the Feed Grain Program which increased prices because of higher price supports and smaller production and is increasing gross cash receipts by \$700 million with diversion payments. About one-half of the diversion payment provision on 10 percent of the wheat acreage will also increase gross cash receipts this year. An additional 30 percent cut in wheat acreage will bring more diversion payments in 1962.

Cash farm receipts in 1962 are expected to be only slightly above this year and net farm income about the same as this year.

Credit Availability

The availability and cost of credit to livestock producers are determined by general business conditions in the economy as a whole and by the profit outlook for livestock enterprises. Technological advances are being applied to livestock production as well as to crops and create a need for more capital per farm and better managerial ability.

For 1961-62, credit availability and terms are expected to be as favorable as in the past 18 months. Efficiently-operated, well-managed livestock farms and ranches will experience little difficulty in obtaining adequate financing for 1961-62. Operators of units which produce less than \$10,000 gross cash income will continue to have trouble because of limited debt-repaying ability.

As cattle feeding moves more toward a year-round operation, it needs continuous financing rather than seasonal financing. This means that intermediate or long term credit is needed in place of short term credit. The provisions of the Agricultural Act of 1961 will help fill some gaps in the farm credit picture.

Meat Supplies and Demand

The build-up of cattle numbers and especially of beef cattle since 1957 has reached a point where a high level of beef production will be sustained through 1961, 1962, and 1963. Beef output in 1960 was over 14.7 billion pounds, and will be about 15.2 billion pounds this year. A further gain is expected in 1962, but the increase will be moderate, about in line with population growth.

Beef prices are affected also by supplies of competing meats and their prices in relation to beef. Total meat production in 1961 at nearly 35.9 billion pounds will be up 1.2 billion over 1960, with expansion in beef and poultry. Supplies of other meats -- pork, veal, lamb and mutton -- are about the same. (Don't let the yearly totals cover up the seasonal changes. The first few months of 1960 had about 8% more pork production than the first months of 1961, but the last months of 1961 will have about 6% more than the last months of 1960.) In 1962, pork production will increase slightly, but further expansion in poultry output will be discouraged by this year's low prices and by higher feed costs.

Meat consumption per person in 1961 is estimated at 198.3 pounds, 2.2 pounds higher than last year. Most of this increase will come during the last half of this year. The average American will eat nearly a pound more beef this year, and $3\frac{1}{2}$ pounds more poultry, but almost 2 pounds less pork than in 1960.

Table 1. Per Capita Consumption of Meat in the U.S.

Meat	1935-39 Average (Lbs.)	1947-49 Average (Lbs.)	1956 (Lbs.)	1960 (Lbs.)	1961 (Lbs.)
Beef	55.6	65.6	85.4	85.2	86.0
Veal	8.1	9.7	9.5	6.2	6.1
Lamb and Mutton	6.8	4.8	4.4	4.8	4.8
Pork	<u>56.5</u>	<u>68.4</u>	<u>67.4</u>	<u>65.3</u>	<u>63.5</u>
Total red meat	127.0	148.5	166.7	161.5	160.4
Chicken	13.4	18.7	24.6	28.3	30.2
Turkey	<u>2.2</u>	<u>3.3</u>	<u>5.2</u>	<u>6.3</u>	<u>7.7</u>
Total meat	142.6	170.5	196.5	196.1	198.3

The increase in income per person means that the demand for meat, and particularly for beef, will be strong during the remainder of 1961 and through all of 1962. Increasing employment and rising consumer incomes will provide an expanding demand for meat. Beef fares well under conditions of prosperity because of consumer preference and more meals eaten in restaurants.

FEED SUPPLIES AND PRICES

Less Feed Production in '61

The total supply of feed grains and other concentrates for the 1961-62 feeding season will be about 5% less than last year. A record carryover of 85 million tons is on hand this fall but 1961 feed grain production will be reduced 15 percent from the high level of 1960. The main reason for this reduction is the retirement of cropland under the 1961 Feed Grain Program. Drought in the Northern Plains affected barley, oats and flaxseed. Growing conditions in the main corn and grain sorghum areas have been excellent this year and high per acre yields are expected. August 1 estimates of acreage, yield and production of important feed crops in Nebraska and the U.S. are shown in Table 2.

A corn-for-grain crop of 3,352 million bushels is expected this year, nearly 550 million less than last year. Since a crop of this size will be 300-400 million bushels less than utilization, some reduction in the 2.0 billion bushel carryover will be possible in 1961-62 for the first time in ten years. Nebraska's corn acreage this year is 17% less than in 1960. The U.S. average yield per acre will set a new all-time record of 57.5 bushels on the basis of the August 1 estimate. The yield in Nebraska was forecast at a little below 1960 but may be increased as a result of timely rains in August.

The 1961 grain sorghum crop is forecast at 455 million bushels or 255 million cwt., a 25% reduction from last year. Participation was heavier in the Feed Grain Program for this crop than for corn because it is produced mainly in the high-risk Great Plains region. Here in Nebraska a crop of about 60 million bushels is expected, down 26 million from last year but over twice the 1950-59 average.

The oats and barley crops were both reduced by drought in the Northern Plains States. Production of oats will be about 980 million bushels, 15% less than 1960 and 23% below average. Rains in July helped the North Dakota crop but came too late for South Dakota and Nebraska. The carryover of oats amounts to about 325 million bushels. The barley crop of 368 million bushels will be 14% less than last year. Carryover amounts to about 150 million bushels.

The supply of protein and by-product feeds for 1961-62 will equal or exceed slightly the 28 million tons fed in 1960-61. The soybean acreage is up 15% this year and will provide more beans for crushing. About 3% more cottonseed will be available, but linseed meal production will be cut by the 36% smaller flaxseed crop. More tankage will be produced in late 1961 as beef slaughter continues high and hog slaughter increases from the larger 1961 spring pig crop.

Hay production in 1961 will be nearly 110 million tons, 7% less than last year. A carryover of 24 million tons brings total supply up to within 2% of the large supply of 1960-61. Hay crops are short in dry areas but reserves will help prevent forced sales of livestock. Nebraska will produce about 800,000 tons less than in 1960, a reduction of 8%.

Pastures are generally good over the nation except for Montana, the Dakotas, and the Southwest. The drought is not yet serious enough or sufficiently widespread to have any great effect upon the marketing of feeder cattle or non-fed slaughter cattle.

The total supply of feed concentrates for 1961-62 will be about 246.5 million tons, about 14 million less than last year (see Table 3). The number of grain consuming animal units will be higher so the concentrate supply per animal unit will be down from 1.55 tons to 1.45 tons but well above average. The feeding rate per animal unit is likely to be reduced from last year's .89 ton because of higher feed grain prices.

Table 2. Feed Crop Acreage and Production, Nebraska and U.S.,

Estimated as of August 1, 1961, with Comparisons

Area & Crop	Acreage for harvest			Unit	Yield per acre			Production		
	Average 1950-59	1960	1961		Average 1950-59	1960	1961	Average 1950-59	1960	1961
<hr/>										
<u>Nebraska</u>	<u>(Thousand acres)</u>							<u>(Millions)</u>		
Corn for grain	5,874	6,472	5,372	Bu.	35.0	50.5	49.0	207.1	326.8	263.2
Oats	1,905	1,213	1,140	Bu.	24.8	35.5	33.0	46.7	43.1	37.6
Soybeans	131	149	250	Bu.	21.3	28.0	24.0	2.7	4.2	6.0
Sorghum grain				Cwt.				14.7	48.2	33.2
Alfalfa	1,852	1,764	1,693	Tons	2.0	2.3	2.2	3.6	4.1	3.6
Wild hay	3,036	2,807	2,807	Tons	0.7	0.8	0.7	2.2	2.3	1.8
<u>United States</u>	<u>(Million acres)</u>							<u>(Millions)</u>		
Corn for grain	68.6	71.4	58.3	Bu.	44.1	54.5	57.5	3,014	3,891	3,352
Oats	35.5	26.6	24.3	Bu.	36.3	43.3	40.4	1,282	1,151	982
Flaxseed	4.3	3.3	2.7	Bu.	8.3	9.1	7.1	36	30	19
Barley	12.3	13.8	13.2	Bu.	28.6	31.0	27.8	354	427	368
Soybeans	18.0	23.6	27.1	Bu.	21.4	23.6	25.2	391	559	683
Sorghum grain		15.4	11.4	Cwt.				167	341	255
All hay	73.0	67.0	66.2	Tons	1.52	1.76	1.66	111	118	110

Table 3. Estimated Feed Concentrate Supplies, U.S.,
1955-59 Average, 1960, 1961,
Year Beginning in October

Source	Average 1955-59 (Mil. tons)	1960 (Mil. tons)	1961 (Mil. tons)
<u>Carryover</u>	<u>51.6</u>	<u>74.7</u>	<u>85.0</u>
<u>Production</u>			
Corn	90.6	109.0	93.9
Oats	20.4	18.4	15.7
Barley	10.2	10.2	8.9
Sorghum grains	<u>12.1</u>	<u>17.9</u>	<u>12.7</u>
Total	<u>133.3</u>	<u>155.5</u>	<u>131.2</u>
<u>Imports</u>	0.7	0.4	0.5
<u>Wheat and Rye</u>	1.9	2.0	2.0
<u>By-products</u>	<u>25.8</u>	<u>27.6</u>	<u>27.8</u>
Total supply	213.3	260.2	246.5
Grain-consuming animal units (Mil.)	163.9	167.5	170.0
Supply per animal unit (Ton)	1.30	1.55	1.45
Concentrates fed per animal unit (Ton)	.80	.89	

Higher Feed Prices

Feed grain prices will be higher in the 1961-62 feeding season than in the past 3 years. The support price on 1961-crop corn will be 14 cents above last year and on grain sorghum up 40 cents a cwt. as shown in Table 4.

Corn and grain sorghum prices will decline seasonally this fall as harvest progresses but the decline will be less than usual. Market prices will be below the support level until next spring; how much below will depend upon the amount of feed grain not eligible for price support and the selling policies of the Commodity Credit Corporation. On July 21, CCC announced sales of grain sorghum at market prices this fall; a similar policy can be expected for corn. The "free-corn" price may fall to a low of about \$1.00 a bushel this fall in Nebraska then rise to near the loan rate by next spring. Grain sorghum will be priced according to its feed value in relation to corn.

Oats and barley prices will be above 1960-61 because of higher price supports and smaller crops. Protein feed prices will decline this fall and winter from present levels. Hay prices will be higher this winter in Nebraska and generally.

Hay supplies should be purchased as soon as possible if needed before next spring's grass becomes available. Feed grains should be bought in the late fall

at seasonally low prices. Protein feeds may be bought as needed during the next 4-6 months.

Table 4. Nebraska Feed Grain Prices

		Average Received by Farmers November '60 - April '61	Support Price Range	
			1960 Crop	1961 Crop
Corn	Bu.	\$.89	\$.99-\$1.06	\$1.13-\$1.20
Oats	Bu.	.58	.45- .51	.58- .64
Sorghum grain	Cwt.	1.31	1.34- 1.56	1.75- 1.96
Barley	Bu.	.72	.69- .87	.84- 1.01

Table 5. Beef Cattle on U.S. Farms and Ranches,
January 1, 1958-'62

Class	1958	1959	1960	1961	1962*
	(Million Head)				
Cows, 2 yrs. & over	24.1	25.1	26.4	27.0	27.1
Heifers, 1-2 yrs.	5.9	6.6	7.0	7.0	7.1
Calves	18.3	19.4	20.4	20.6	21.1
Steers, 1 yr. & over	9.3	9.9	10.6	10.9	10.9
Bulls	<u>1.6</u>	<u>1.6</u>	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>
Total	59.2	62.6	66.1	67.2	68.0

* Estimate

BEEF CATTLE OUTLOOK

The outlook for profits from feeding cattle in 1961-62 appears more favorable than results for 1960-61. The past season was not good for those who bought late and sold during the late spring and early summer months. Prices received by ranchers this fall will be lower than a year ago, especially in the last three months of the year unless good winter wheat pastures again develop. Feed costs will be higher in 1961-62 but strong demand for beef and lower prices for feeder cattle should make average profits possible for most feeding systems.

Cattle Numbers

Beef cattle numbers have been increasing for 4 years and have not yet reached their high for the current cattle cycle. The expansion has been moderate so far and can be handled at fairly stable prices unless upset by overoptimism on the part of producers or by major changes in feed supplies, business conditions or international affairs.

This cattle cycle is characterized by greater emphasis on beef production. Beef cattle numbers on January 1, 1961 were 8 million above 3 years earlier (see Table 5). Cow and calf slaughter has been low since 1957 while steer and heifer slaughter has increased. Beef production per cow is increasing as better methods are used and more calves are fed to heavier weights. In the 1958-60 period, cattle numbers increased 6.5 percent, beef production went up by 14 percent, but population gained 5.1 percent. Further expansion must be kept in line with demand growth if price troubles are to be avoided in the beef industry.

Estimates of cattle numbers are based upon the U.S. Census of Agriculture taken every five years and U.S.D.A. surveys for intervening years. The information so obtained is only as accurate as it is reported by farmers and ranchers. Cattle numbers were revised downward this year after Census results became available. Calf crop figures in relation to cow numbers and 1961 slaughter rates indicate that the Census data probably underestimate cattle numbers. The important conclusions to be drawn from cattle inventories are that beef production will continue to expand slowly in 1962 and '63 and that no sharp changes are expected in marketings during the year ahead.

Feeder Cattle

Prices for most classes of feeder cattle are expected to average about \$2 a hundredweight lower this fall than in the September-December period of 1960. This means considerable stability during the next 4 months rather than a decline from present levels. We can see no serious risk either in buying cattle early or in waiting until later in the season.

On the basis of the cattle inventory and calf crop, the supply of feeder cattle will be slightly higher than a year ago. Slaughter of steers and heifers has been high during the year but poorer winter feed conditions will encourage some ranchers to cut back on their carryover of young stock. The low rate of cow slaughter in the past 4 years means that cow replacement in breeding herds will increase. This will reduce the number of heifers available to put on feed.

The 1961 calf crop of 39.7 million head was 1 percent above that of last year. A higher proportion will be marketed from dry areas but reports from these sections indicate that cattle are still in strong hands. Imports from Canada may be up somewhat because of drought in the Prairie Provinces but not enough to affect U.S. prices significantly. Feeders who look to drought areas for bargain prices will be disappointed. There will be more calves available, fewer heifers and

about the same number of yearling steers this year as a year ago.

Cattle feeders will not bid so aggressively for cattle this fall as they did in the past 3 years of record feed grain crops. Those who stayed out of the Feed Grain Program will be looking early for cattle to increase returns from their prospective large corn crop. Their demand could lead to some price strength in the feeder cattle market in September. Those who participate in the Program can put their corn and grain sorghum under price support, feed livestock, or sell at market prices. They will be reluctant to buy feeder cattle unless they feel the price will permit at least average returns from feeding. This will prevent feeder cattle prices from rising in the late fall as they did a year ago, unless wheat pastures are again exceptionally good in the Southern Plains.

Slaughter Cattle

Fed cattle prices for the rest of the 1961 will be steady to slightly weaker. With 2% more cattle on feed this July than a year ago and non-fed cattle marketings increasing seasonally, beef slaughter this fall will be about 3% above a year ago. Beef also faces increasing competition from pork and poultry in this period. Cow prices held up remarkably well in the first 8 months of '61 but will decline seasonally this fall as more over-age cows are replaced by heifers and herds are culled closely in dry areas.

Table 6. Average Price, Stocker and Feeder Steers
500 lbs. & Over, 10 Markets, 1955-61.*

Month	1955	1956	1957	1958	1959	1960	1961
Jan.	\$19.80	\$16.65	\$17.30	\$23.50	\$27.45	\$23.60	\$24.56
Feb.	19.70	16.55	17.55	24.00	26.50	24.05	23.97
Mar.	20.40	16.80	18.85	25.50	27.65	24.90	24.09
Apr.	20.50	17.30	20.00	26.20	28.50	25.30	24.05
May	18.95	17.00	20.05	26.45	28.50	24.34	24.44
June	18.65	16.40	19.90	25.30	27.40	22.66	21.88
July	17.60	16.50	20.25	25.55	26.75	21.66	21.55
Aug.	17.30	17.35	20.35	24.80	26.25	21.20	---
Sept.	17.75	17.45	20.30	26.25	26.05	21.58	---
Oct.	17.95	17.40	20.80	26.70	24.95	21.95	---
Nov.	16.90	17.05	21.30	27.20	23.75	22.97	---
Dec.	15.40	16.15	22.40	26.35	22.95	23.81	---
Year	18.25	17.05	20.25	25.85	26.15	23.02	---

*Source: Livestock Market News, AMS, USDA, Washington, D.C.

For 1962, we expect more stability in fed cattle prices than in 1961 with the average for the year slightly above that for this year. Uncertainties as to the size of the feed grain crop this fall and range conditions next year make it difficult to forecast the seasonal movement of fed cattle prices for 1962. We look for some improvement in feed cattle prices this winter. The spring decline will be less than in 1961, about \$2 a hundredweight instead of the \$5 drop of this past spring and summer. Prices should rise again in the last summer and fall but cattle-on-feed and other reports will need to be studied carefully throughout the year.

Returns from cattle feeding were disappointing during the 1960-61 season especially for those who bought feeders late and sold fat cattle this summer. Profits for 1961-62 should be higher, about average for most systems. No one system of feeding appears to have any clear-cut advantage over others for the coming year so the kind of cattle fed should be based primarily on feed available, financing and managerial ability and preferences. A wider spread between upper and lower grades of slaughter cattle can be expected next year than prevailed in '61.

Table 6. Average Prices, Stocker and Feeder Cattle
500 lbs. & Over, 10 Markets, 1957-61

Month	1957	1958	1959	1960	1961
Jan.	\$17.50	\$18.50	\$17.50	\$18.50	\$18.50
Feb.	17.50	18.50	17.50	18.50	18.50
Mar.	18.50	19.50	17.50	18.50	18.50
Apr.	20.50	21.50	20.50	21.50	21.50
May	20.50	21.50	20.50	21.50	21.50
June	19.50	20.50	19.50	20.50	20.50
July	20.50	21.50	20.50	21.50	21.50
Aug.	20.50	21.50	20.50	21.50	21.50
Sept.	20.50	21.50	20.50	21.50	21.50
Oct.	20.50	21.50	20.50	21.50	21.50
Nov.	21.50	22.50	21.50	22.50	22.50
Dec.	22.50	23.50	22.50	23.50	23.50
Year	20.50	21.50	20.50	21.50	21.50

*Source: Livestock Market News, AMS, USDA, Washington, D.C.

HOG OUTLOOK

The 1961 spring pig crop was up 7 percent. This is a sizeable increase, but the economy should be able to absorb it without drastic price decreases. You can expect the low in hog prices late this fall and early winter to be about \$2.50 below prices of a year ago. This will mean about \$13.50--\$14.50 prices.

Federally inspected slaughter of hogs during the first quarter of 1961 was about 8 percent below that of 1960. The last quarter of this year will probably see slaughter about 6 percent above a year ago.

Table 7. Federally Inspected Hog Slaughter by Quarters - 1960-61

	1960	1961	% change 1960 to 1961
	thousand		
Jan. - Mar.	18,474	16,932	-8.4
Apr. - Jun.	16,140	15,650	-3.1
Jul. - Sep.	14,672	15,400*	+4.9
Oct. - Dec.	16,867	17,900*	+6.0

(*Estimated)

Most of the increase in the spring pig crop came during April and May. This could mean bunched marketing during November and December. In view of the definite drop in prices between now and the first of December, hogs should be marketed as soon as they reach 220 pounds. Holding hogs to heavier weights this fall will only mean that total value will decrease as the price drops. After December first, hogs probably can be profitably held to heavier weights. This type of marketing pattern would spread the marketings over a longer period and would cut the total tonnage of pork coming on the market.

Fall farrowings for 1961, based on breeding intentions, will be up about 2 percent. With these intentions and the upward trend in litter size, the 1961 fall pig crop would total about 42.5 million head or 3 percent more than last year. Following through this means that late winter and early spring 1962 hog prices would be about \$2 under the same period of 1961.

What about the spring 1962 pig crop? Historically, the hog-corn ratio has been a fair indicator of the direction farrowings will take even though such a ratio does not help much in forecasting the amount of change in farrowings. The following table shows the relationship of the hog-ratio in November-December to the following spring pig crop:

Fall	Hog-corn Ratio	% Change in Following Spring Pig Crop
1954	12.9	+ 9.0
1955	10.1	- 8.2
1956	12.2	- 4.6
1957	17.5	+ 1.7
1958	18.1	+10.2
1959	12.0	-16.5
1960	18.5	+ 6.9
1961	<div style="display: inline-block; vertical-align: middle;"> <div style="text-align: right;">\$14.00* Hog</div> <div style="text-align: right;">1.10* Corn</div> </div> <div style="display: inline-block; vertical-align: middle; margin: 0 10px;">=</div> <div style="text-align: left;">12.7</div>	No change*

(*Estimated)

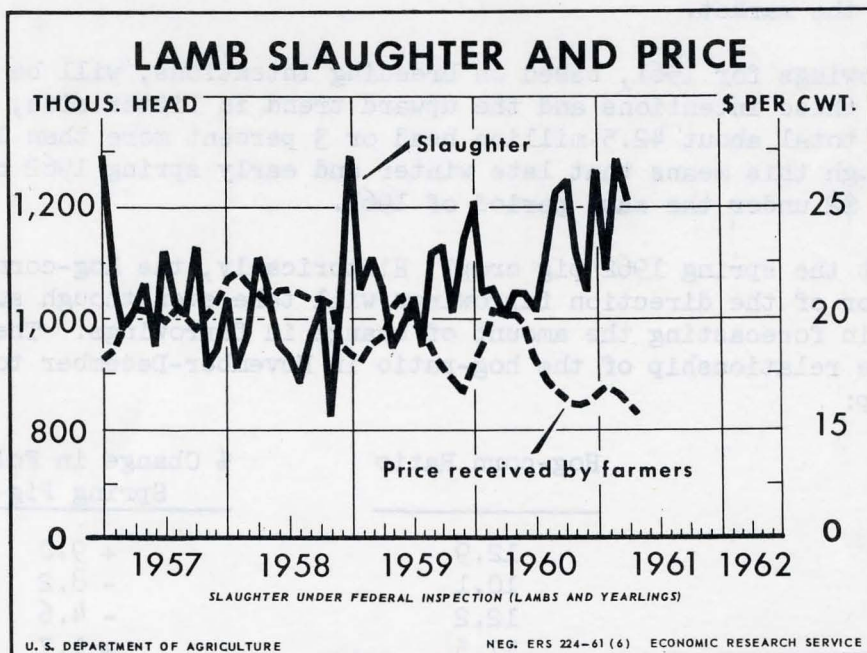
If hog prices move down to \$14 and corn prices up to \$1.10 the hog-corn ratio would be 12.7, indicating little or no change next spring. As we move into November and December, you can compute your own hog-corn ratio and to obtain an indication of the direction in the size of spring farrowings.

With smaller private feed supplies available, a reduction in the grain consuming livestock population to be in line with the feed supply, will follow. The quickest change to available grain supplies can come from the broiler segment. A change in the turkey and hog population follow next with no change in cattle numbers due to grain supplies.

LAMB FEEDING OUTLOOK

Lamb feeding has been unprofitable in the last couple of years as slaughter has been unusually large. The high rate of slaughter thus far this year will be a supporting influence on lamb prices the rest of 1961 but the real impact will come in 1962.

The apparent slaughtering of an unusually large part of ewe lamb inventories and a possible higher death loss of ewes will likely result in a reduction in breeding ewes next year. Hence, slaughter supplies may be lower for several years. This situation is similar to that in 1956 when slaughter during the early months of the year was also large relative to numbers on hand. Average lamb prices were depressed until May that year when they rose above a year earlier and continued above for over 2 years. It is anticipated that lamb prices will reach 1957-58 levels but they appear certain to recover from the current prices.



HOW TO COMPUTE BREAK-EVEN FEEDER PRICES

Following are charts of some eight livestock feeding systems giving the break-even feeder prices for various slaughter prices, feed costs, wage rates, and number of head per lot when all current costs are covered. They are offered as an aid in determining whether or not to buy feeders to fill your feed lot. Depreciation and interest on bunks, fences and other equipment is not included. Lower feeder prices need to be paid in order to cover these fixed costs.

In computing these break-even feeder prices, the following feed prices were used:

Corn, per bushel \$1.00 & \$1.25

Corn silage, per ton \$ 9.75

Alfalfa hay, per ton 20.00

Pasture, (corn stalks, pasture aftermath, etc.) per head per day. .10

Protein supplement, (40% protein, stilbestrol) per ton . . . 85.00

These are prices delivered to your feed lot.

Break-even feeder prices are given for a 40-head feed lot, 120-head feed lot and per additional head as the feed lot is increased from 20 to 120 head. The only difference in these examples are the labor requirements. Total hours per animal were as follows:

Feeding system	Number of head in lot		
	40	120	Per Additional Head
	Hours Per Animal		
425# steer calves fed grain 285 days	8.75	5.90	4.50
425# steer calves fed liberal roughage 330 days	10.63	7.00	5.18
425# steer calves fed liberal roughage plus pasture 365 days	10.88	6.88	4.85
400# heifer calves fed grain 225 days	6.48	4.52	3.58
650# yearling heifers fed grain 150 days	4.54	3.24	2.60
650# yearling steer fed maximum roughage 180 days	4.76	3.92	3.00
700# yearling steer fed grain 165 days	5.00	3.56	2.85
700# yearling steer fed liberal roughage 195 days	6.26	4.22	3.22

These labor requirements were from "Labor Used in Cattle Feeding," Station Bulletin 451, March 1960, by R. G. Johnson and T. R. Nodland, University of Minnesota. Included are:

1. Hay feeding of bales stored nearby.
2. Grain feeding with a wagon and shovel.
3. Silage feeding from an upright silo.
4. Bedding.
5. Watering and observing.
6. Care and treatment of sick animals.
7. Pasturing.

8. Feed grinding.
9. Manure disposal.
10. Miscellaneous.

The costs used in this example are very specific and may not fit your situation. You need to use your own costs to figure your own break-even feeder price. Here is how it is done. Using a 700# yearling good to choice steer fed 165 days to 1,100# and choice grade with a daily gain of 2.4 pounds, we take the total expected value of the slaughter animal and subtract all variable or current costs except those associated with the price of the feeder steer. This gives the net value of the feeder steer. The break-even price of the feeder is obtained by multiplying the feeder weight by one (1) plus the interest rate and death rate for the feeding period and dividing this product into the net value obtained above.

Slaughter weight	X	Expected price	=	Gross value	Your figure
1,100#	X	\$24.00	=	\$264.00	<u> </u>

Minus

Feed costs

46 bu. corn @ \$1.25 ^{1/}	=	57.50
90# protein @ \$4.25	=	3.83
0.9 T. alfalfa @ \$20	=	<u>18.00</u>
		79.33

Marketing costs

1100# @ 60¢/cwt.		6.60
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Cost of buying feeder

Commission		2.00
Vaccination		.50
Trucking		<u>1.00</u>
		3.50

Labor

1 ¹ / ₄ min./day or		
3.56 hrs. @ \$1.25		4.45

Taxes^{2/}

Omaha Aoverage price	\$ 24.00	
	- 1.00	
	<u>\$ 23.00</u>	
	X 75%	X 75%
	<u>17.25</u>	
	X 700#	
	<u>\$120.75</u>	
	X 120% for cattle on feed more than 80 days	X 120%
	<u>\$144.90</u>	
	X 35%	X 35%
	<u>\$ 50.72</u>	
	X 70 mills	
	<u>3.55</u>	

^{1/}For purchased feed use the price delivered to the farm. For home produced feed use the alternative cash price F.O.B. the farm.

^{2/}According to LB 130 passed by the 1961 Legislature

Interest on feed

$$\$79.33 \times \frac{165 \text{ days}}{365 \text{ days}} \times 7\% \times \frac{1}{2} = \$1.25$$

Other variable costs

	Per day	
Veterinary	<u>\$.002</u>	
Salt & Min.	.002	
Rep. & Misc.	<u>.006</u>	
	<u>\$.010</u>	X 165 days = \$1.65

Total variable non-feeder costs

\$100.33

Net value of feeder

163.67

$$\text{Feeder weight} \times \left[1 + \frac{165}{365} \left(\begin{array}{cc} \text{Int.} & + \text{Death} \\ \text{rate} & \text{rate} \end{array} \right) \right]$$

$$700 \times \left[1 + \frac{165}{365} (7\% + 3\%) \right]$$

$$700 \times 1.05 = 7.35 \text{ cwt.}$$

Break-even

$$\text{Feeder price} = \frac{\$163.67}{7.35 \text{ cwt.}} =$$

22.30/cwt.

Break-Even Feeder Prices for 425# Good to Choice Calves Fed Liberal Grain 285 Days, Sold at 1025# and Choice Grade for
 Various Slaughter Prices, 7% Interest Rate, Wage Rates, Feed Prices, and Number of Head Per Lot When All Variable
 Costs are Covered

A.

Feed Prices <u>1/</u>	Wage Rate	Number of Head	Slaughter Prices Per Cwt.										
			\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
			Break-Even Feeder Price Per Cwt.										
Corn \$1.25/bu. Per Cwt. of Gain \$17.07	\$1.25	40	\$16.30	\$18.50	\$20.70	\$23.00	\$25.20	\$27.40	\$29.60	\$31.80	\$34.00	\$36.30	\$38.50
		120	17.10	19.30	21.50	23.70	26.00	28.20	30.40	32.60	34.80	37.00	39.30
		Per Additional Head	17.50	19.70	21.90	24.10	26.30	28.60	30.80	33.00	35.20	37.40	39.60
	.50	40	\$17.70	\$20.00	\$22.20	\$24.40	\$26.60	\$28.80	\$31.00	\$33.30	\$35.50	\$37.70	\$39.90
		120	18.00	20.20	22.50	24.70	26.90	29.10	31.40	33.60	35.80	38.00	40.20
		Per Additional Head	18.20	20.40	22.60	24.90	27.10	29.30	31.50	33.70	35.90	38.20	40.40
Corn \$1.00/bu. Per Cwt. of Gain \$14.44	\$1.25	40	\$19.80	\$22.10	\$24.30	\$26.50	\$28.70	\$30.90	\$33.10	\$35.40	\$37.60	\$39.80	\$42.00
		120	20.60	22.80	25.10	27.30	29.50	31.70	33.90	36.10	38.40	40.60	42.80
		Per Additional Head	21.00	23.20	25.40	27.60	29.90	32.10	34.30	36.50	38.70	41.00	43.20
	.50	40	\$21.30	\$23.50	\$25.70	\$27.90	\$30.10	\$32.40	\$34.60	\$36.80	\$39.00	\$41.20	\$43.40
		120	21.60	23.80	26.00	28.20	30.50	32.70	34.90	37.10	39.30	41.50	43.80
		Per Additional Head	21.70	24.00	26.20	28.40	30.60	32.80	35.00	37.30	39.50	41.70	43.90

1/ Feed required includes: Corn, 63 bushels; Protein, 180 pounds; Alfalfa hay, 0.6 tons; Pasture, 40 days; Average daily gain, 2.1 pounds.

Break-Even Feeder Prices for 425# Good to Choice Calves Fed Liberal Roughage 330 Days, Sold at 1025# and Choice Grade for
Various Slaughter Prices, 7% Interest Rate, Wage Rates, Feed Prices, and Number of Head Per Lot When All Variable
Costs are Covered

B.

Feed Prices <u>1/</u>	Wage Rate	Number of Head	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
Break-Even Feeder Price Per Cwt.													
Corn \$1.25/bu. Per Cwt. of Gain \$16.75	\$1.25	40	\$15.90	\$18.10	\$20.20	\$22.40	\$24.60	\$26.80	\$29.00	\$31.20	\$33.40	\$35.60	\$37.80
		120	16.80	19.00	21.20	23.40	25.60	27.80	30.00	32.20	34.40	36.60	38.80
		Per Additional Head	17.30	19.50	21.70	23.90	26.10	28.30	30.50	32.70	34.90	37.10	39.20
	.50	40	\$17.60	\$19.80	\$22.00	\$24.20	\$26.40	\$28.60	\$30.80	\$32.90	\$35.10	\$37.30	\$39.50
		120	18.00	20.20	22.30	24.50	26.70	28.90	31.10	33.30	35.50	37.70	39.90
		Per Additional Head	18.20	20.40	22.50	27.70	26.90	29.10	31.30	33.50	35.70	37.90	40.10
Corn \$1.00/bu. Per Cwt. of Gain \$15.08	\$1.25	40	\$18.10	\$20.30	\$22.50	\$24.70	\$26.90	\$29.10	\$31.20	\$33.40	\$35.60	\$37.80	\$40.00
		120	19.10	21.30	23.50	25.60	27.80	30.00	32.20	34.40	36.60	38.80	41.00
		Per Additional Head	19.50	21.70	23.90	26.10	28.30	30.50	32.70	34.90	37.10	39.30	41.50
	.50	40	\$19.80	\$22.00	\$24.20	\$26.40	\$28.60	\$30.80	\$33.00	\$35.20	\$37.30	\$39.50	\$41.70
		120	20.20	22.40	24.60	26.80	29.00	31.20	33.40	35.50	37.70	39.90	42.10
		Per Additional Head	20.40	22.60	24.80	27.00	29.20	31.30	33.50	35.70	37.90	40.10	42.30

1/ Feed required includes: Corn, 40 bushels; Protein 285 pounds; Alfalfa hay, 0.5 tons; Corn silage equivalent, 2.5 tons; Pasture, 40 days;
Average daily gain, 1.8 pounds.

Break-Even Feeder Prices for 425# Good to Choice Calves Fed Liberal Roughage Plus Pasture 365 Days, Sold at 1025# and Choice Grade for Various Slaughter Prices, 7% Interest Rate, Wage Rates, Feed Prices, and Number of Head Per Lot
When All Variable Costs are Covered

C.

Feed Prices <u>1/</u>	Wage Rate	Number of Head	Slaughter Price Per Cwt.										
			\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
			Break-Even Feeder Price Per Cwt.										
Corn \$1.25/bu. Per Cwt. of Gain \$15.64	\$1.25	40	\$17.00	\$19.10	\$21.30	\$23.50	\$25.70	\$27.80	\$30.00	\$32.20	\$34.40	\$36.50	\$38.70
		120	18.00	20.20	22.40	24.60	26.70	28.90	31.10	33.30	35.40	37.60	39.80
		Per Additional Head	18.60	20.80	22.90	25.10	27.30	29.40	31.60	33.80	36.00	38.10	40.30
	.50	40	\$18.70	\$20.90	\$23.10	\$25.20	\$27.40	\$29.60	\$31.80	\$33.90	\$36.10	\$38.30	\$40.40
		120	19.10	21.30	23.50	25.70	27.80	30.00	32.20	34.40	36.50	38.70	40.90
		Per Additional Head	19.40	21.50	23.70	25.90	28.10	30.20	32.40	34.60	36.70	38.90	41.10
Corn \$1.00/bu. Per Cwt. of Gain \$14.14	\$1.25	40	\$19.00	\$21.10	\$23.30	\$25.50	\$27.70	\$29.80	\$32.00	\$34.20	\$36.40	\$38.50	\$40.70
		120	20.00	22.20	24.40	26.60	28.70	30.90	33.10	35.30	37.40	39.60	41.80
		Per Additional Head	20.60	22.70	24.90	27.10	29.30	31.40	33.60	35.80	38.00	40.10	42.30
	.50	40	\$20.70	\$22.90	\$24.10	\$27.20	\$29.40	\$31.60	\$33.70	\$35.90	\$38.10	\$40.30	\$42.40
		120	21.10	23.30	25.50	27.70	29.80	32.00	34.20	36.40	38.50	40.70	42.90
		Per Additional Head	21.30	23.50	25.70	27.90	30.00	32.20	34.40	36.60	38.70	40.90	43.10

1/ Feed required includes: Corn 36 bushels; Protein, 150 pounds; Alfalfa hay, 0.5 tons; Corn silage equivalent, 2.1 tons; Pasture, 120 days; Average daily gain, 1.7 pounds.

Break-Even Feeder Prices for 400# Good to Choice Heifer Calves Fed Liberal Grain 225 Days, Sold at 850# and Choice Grade for Various Slaughter Prices, 7% Int. Rate, Wage Rates, Feed Prices, and Number of Head Per Lot When All Variable Costs are Covered

D.

Feed Prices <u>1/</u>	Wage Rate	Number of Head	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
Break-Even Feeder Price Per Cwt.													
Corn \$1.25/bu. Per Cwt. of Gain \$16.68	\$1.25	40	\$17.10	\$19.10	\$21.10	\$23.10	\$25.10	\$27.00	\$29.00	\$31.00	\$33.00	\$35.00	\$36.00
		120	17.70	19.70	21.70	23.60	25.60	27.60	29.60	31.60	33.60	35.50	37.50
		Per Additional Head	18.00	20.00	21.90	23.90	25.90	27.90	29.90	31.90	33.80	35.80	37.80
	.50	40	\$18.30	\$20.30	\$22.20	\$24.20	\$26.20	\$28.20	\$30.20	\$32.10	\$34.10	\$36.10	\$38.10
		120	18.50	20.50	22.50	24.40	26.40	28.40	30.40	32.40	34.30	36.30	38.30
		Per Additional Head	18.60	20.60	22.60	24.60	26.50	28.50	30.50	32.50	34.50	36.40	38.40
Corn \$1.00/bu. Per Cwt. of Gain \$14.18	\$1.25	40	\$19.80	\$21.80	\$23.80	\$25.80	\$27.80	\$29.70	\$31.70	\$33.70	\$35.70	\$37.70	\$39.70
		120	20.40	22.40	24.40	26.40	28.30	30.30	32.30	34.30	36.30	38.20	40.20
		Per Additional Head	20.70	22.70	24.70	26.60	28.60	30.60	32.60	34.60	36.50	38.50	40.50
	.50	40	\$21.00	\$23.00	\$24.90	\$26.90	\$28.90	\$30.90	\$32.90	\$34.80	\$36.80	\$38.80	\$40.80
		120	21.20	23.20	25.20	27.10	29.10	31.10	33.10	35.10	37.10	39.00	41.00
		Per Additional Head	21.30	23.30	25.30	27.30	29.20	31.20	33.20	35.20	37.20	39.10	41.10

1/ Feed required includes: Corn, 45 bushels; Protein, 150 pounds; Alfalfa hay, 0.6 tons; Average daily gain, 2.0 pounds.

Break-Even Feeder Prices for 650# Good to Choice Yearling Heifers Fed Grain Intensively 150 Days, Sold at 950# and Choice Grade
for Various Slaughter Prices, 7% Interest Rate, Wage Rates, Feed Prices, and Number of Head Per Lot
When All Variable Costs are Covered

E.

Feed Prices 1/	Wage Rate	Number of Head	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
Break-Even Feeder Price Per Cwt.													
Corn \$1.25/bu. Per Cwt. of Gain \$20.02	\$1.25	40	\$16.20	\$17.60	\$19.00	\$20.40	\$21.80	\$23.10	\$24.50	\$25.90	\$27.30	\$28.70	\$30.00
		120	16.50	17.90	19.20	20.60	22.00	23.40	24.80	26.10	27.50	28.90	30.30
		Per Additional Head	16.60	18.00	19.30	20.70	22.10	23.50	24.90	26.30	27.60	29.00	30.40
	.50	40	\$16.70	\$18.10	\$19.50	\$20.90	\$22.30	\$23.60	\$25.00	\$26.40	\$27.80	\$29.20	\$30.50
		120	16.80	18.20	19.60	21.00	22.40	23.70	25.10	26.50	27.90	29.30	30.60
		Per Additional Head	16.90	18.30	19.60	21.00	22.40	23.80	25.20	26.50	27.90	29.30	30.70
Corn \$1.00/bu. Per Cwt. of Gain \$16.85	\$1.25	40	\$17.70	\$19.00	\$20.40	\$21.80	\$23.20	\$24.60	\$25.90	\$27.30	\$28.70	\$30.10	\$31.50
		120	17.90	19.30	20.70	22.00	23.40	24.80	26.20	27.60	28.90	30.30	31.70
		Per Additional Head	18.00	19.40	20.80	22.20	23.50	24.90	26.30	27.70	29.10	30.40	31.80
	.50	40	\$18.20	\$19.50	\$20.90	\$22.30	\$23.70	\$25.10	\$26.40	\$27.80	\$29.20	\$30.60	\$32.00
		120	18.30	19.60	21.00	22.40	23.80	25.20	26.50	27.90	29.30	30.70	32.10
		Per Additional Head	18.30	19.70	21.10	22.40	23.80	25.20	26.60	28.00	29.30	30.70	32.10

1/ Feed required includes: Corn, 38 bushels; Protein, 60 pounds; Alfalfa hay, 0.5 tons; Average daily gain, 2.1 pounds.

Break-Even Feeder Prices for 650# Medium and Common Feeder Steers Fed Maximum Roughage 180 Days, Sold at 1050#
and Standard and Good Grade for Various Slaughter Prices, 7% Interest Rate, Wage Rates,
Feed Prices, and Number of Head Per Lot When All Variable Costs are Covered

F.

Feed Prices 1/	Wage Rate	Number of Head	Slaughter Price Per Cwt.										
			\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
Break-Even Feeder Price Per Cwt.													
Corn \$1.25/bu. Per Cwt. of Gain \$17.12	\$1.25	40	\$17.10	\$18.60	\$20.10	\$21.60	\$23.10	\$24.60	\$26.20	\$27.70	\$29.20	\$30.70	\$32.20
		120	17.40	18.90	20.40	21.90	23.50	25.00	26.50	28.00	29.50	31.00	32.60
		Per Additional Head	17.60	19.10	20.60	22.10	23.60	25.10	26.70	28.20	29.70	31.20	32.70
	.50	40	\$17.70	\$19.20	\$20.70	\$22.20	\$23.80	\$25.30	\$26.80	\$28.30	\$29.80	\$31.30	\$32.80
		120	17.80	19.30	20.90	22.40	23.90	25.40	26.90	28.40	30.00	31.50	33.00
		Per Additional Head	17.90	19.40	20.90	22.40	24.00	25.50	27.00	28.50	30.00	31.50	33.00
Corn \$1.00/bu. Per Cwt. of Gain \$16.69	\$1.25	40	\$17.60	\$19.10	\$20.70	\$22.20	\$23.70	\$25.20	\$26.70	\$28.20	\$29.70	\$31.30	\$32.80
		120	18.00	19.50	21.00	22.50	24.00	25.50	27.10	28.60	30.10	31.60	33.10
		Per Additional Head	18.10	19.60	21.20	22.70	24.20	25.70	27.20	28.70	30.30	31.80	33.30
	.50	40	\$18.30	\$19.80	\$21.30	\$22.80	\$24.30	\$25.80	\$27.30	\$28.90	\$30.40	\$31.90	\$33.40
		120	18.40	19.90	21.40	22.90	24.40	26.00	27.50	29.00	30.50	32.00	33.50
		Per Additional Head	18.50	20.00	21.50	23.00	24.50	26.00	27.50	29.10	30.60	32.10	33.60

1/ Feed required includes: Corn, 15 bushels; Protein, 300 pounds; Corn silage equivalent, 4.0 tons; Average daily gain, 2.2 pounds.

Break-Even Feeder Prices for 700# Good to Choice Yearling Steers Fed Grain Intensively 165 Days, Sold at 1100# and Choice Grade
for Various Slaughter Prices, 7% Interest Rate, Wage Rates, Feed Prices, and Number of Head Per Lot
When All Variable Costs are Covered

G.

Feed Prices <u>1/</u>	Wage Rate	Number of Head	Slaughter Price Per Cwt.										
			\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
Break-Even Feeder Price Per Cwt.													
Corn \$1.25/bu. Per Cwt. of Gain \$19.83	\$1.25	40	\$16.20	\$17.70	\$19.10	\$20.60	\$22.10	\$23.60	\$25.10	\$26.50	\$28.00	\$29.50	\$31.00
		120	16.40	17.90	19.40	20.90	22.30	23.80	25.30	26.80	28.30	29.70	31.20
		Per Additional Head	16.50	18.00	19.50	21.00	22.50	23.90	25.40	26.90	28.40	29.90	31.30
	.50	40	\$16.70	\$18.20	\$19.60	\$21.10	\$22.60	\$24.10	\$25.60	\$27.10	\$28.40	\$30.00	\$31.50
		120	16.80	18.30	19.70	21.20	22.70	24.20	25.70	27.10	28.60	30.10	31.60
		Per Additional Head	16.80	18.30	19.80	21.30	22.80	24.20	25.70	27.20	28.70	30.20	31.60
Corn \$1.00/bu. Per Cwt. of Gain \$16.96	\$1.25	40	\$17.80	\$19.20	\$20.70	\$22.20	\$23.70	\$25.20	\$26.70	\$28.10	\$29.60	\$31.10	\$32.60
		120	18.00	19.50	21.00	22.50	23.90	25.40	26.90	28.40	29.90	31.30	32.80
		Per Additional Head	18.10	19.60	21.10	22.60	24.10	25.50	27.00	28.50	30.00	31.50	32.90
	.50	40	\$18.30	\$19.80	\$21.20	\$22.70	\$24.20	\$25.70	\$27.20	\$28.60	\$30.10	\$31.60	\$33.10
		120	18.40	19.90	21.30	22.80	24.30	25.80	27.30	28.70	30.20	31.70	33.20
		Per Additional Head	18.40	19.90	21.40	22.90	24.40	25.80	27.30	28.80	30.30	31.80	33.20

1/ Feed required includes: Corn, 46 bushels; Protein, 90 pounds; Alfalfa hay, 0.9 tons; Average daily gain, 2.4 pounds.

Break-Even Feeder Prices for 700# Good to Choice Feeder Steer Fed Liberal Roughage 195 Days, Sold at 1150#
and Choice Grade for Various Slaughter Prices, 7% Interest Rate, Wage Rates, Feed Prices, and
Number of Head Per Lot When All Variable Costs are Covered

H.

Feed Prices 1/	Wage Rate	Number of Head	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00
Break-Even Feeder Price Per Cwt.													
Corn \$1.25/bu. Per Cwt. of Gain \$21.21	\$1.25	40	\$14.60	\$16.10	\$17.60	\$19.20	\$20.70	\$22.20	\$23.70	\$25.20	\$26.70	\$28.20	\$29.80
		120	15.00	16.50	18.00	19.50	21.00	22.50	24.00	25.60	27.10	28.60	30.10
		Per Additional Head	15.10	16.60	18.20	19.70	21.20	22.70	24.20	25.70	27.20	28.70	30.30
	.50	40	\$15.20	\$16.80	\$18.30	\$19.80	\$21.30	\$22.80	\$24.30	\$25.80	\$27.40	\$28.90	\$30.40
		120	15.40	16.90	18.40	19.90	21.40	23.00	24.50	26.00	27.50	29.00	30.50
		Per Additional Head	15.50	17.00	18.50	20.00	21.50	23.00	24.50	26.00	27.60	29.10	30.60
Corn \$1.00/bu. Per Cwt. of Gain \$19.21	\$1.25	40	\$15.80	\$17.40	\$18.90	\$20.40	\$21.80	\$23.40	\$24.90	\$26.40	\$28.00	\$29.50	\$31.00
		120	16.20	17.70	19.20	20.70	22.20	23.80	25.30	26.80	28.30	29.80	31.30
		Per Additional Head	16.40	17.90	19.40	20.90	22.40	23.90	25.40	26.90	28.50	30.00	31.50
	.50	40	\$16.50	\$18.00	\$19.50	\$21.00	\$22.50	\$24.00	\$25.60	\$27.10	\$28.60	\$30.10	\$31.60
		120	16.60	18.10	19.60	21.10	22.70	24.20	25.70	27.20	28.70	30.20	31.70
		Per Additional Head	16.70	18.20	19.70	21.20	22.70	24.20	25.80	27.30	28.80	30.30	31.80

1/ Feed required includes: Corn, 36 bushels; Protein, 315 pounds; Corn silage equivalent, 3.8 tons; Average daily gain, 2.2 pounds.