

## High corn prices impact Cornbelt beef-cow herds, Cattle feeding in Iowa

Like the 1970s, it appears that agricultural prices have moved to a new plateau. While the last plateau is more of a hill, this one appears to have more of a distant horizon. As most of you recognize, there are similarities between the 1970s and today. Corn prices increased from \$1.08 per bushel for the 1971-72 crop year to \$3.02 for the 1974-75 crop year, nearly a \$2-per-bushel increase. Corn acres planted increased from 66.9 million in 1971 to 84.5 million in 1976. Beef cow inventories peaked in January 1975 at 45.7 million and declined to 37.1 million by January 1979, a decrease of 8.65-million head. While I don't think we will lose 8 million more beef cows, the \$2-per-bushel corn price increase between the 2005-06 and 2007-08 crop years has triggered more corn production -- the largest planted acreage since 1944 -- and a shift from pasture to plow in the Cornbelt.

Table 1 shows the change in beef cow and beef replacement heifers in: the state of Iowa; the rest of the Cornbelt (Minnesota, Missouri, Wisconsin, Illinois, Michigan, Indiana and Ohio); selected states bordering the Cornbelt (Nebraska, South Dakota, Tennessee and Kentucky); and the rest of the nation. Of the decrease in U.S. beef-cow numbers, the Cornbelt and surrounding states account for all about 5,000 head in that drop and account for 57 percent of the decrease in beef heifers. While more than 60 percent of Kentucky and Tennessee's pastures were rated at poor or very poor, Nebraska and South Dakota's range and pastures were rated at 61 percent and 51 percent as good to excellent, respectively. Thus, some of the herd decrease may be weather related, but corn acreage also contributed. Corn acreage in the Cornbelt and four bordering states increased by more than 10 million acres in 2007, while soybean acreage decreased by less than 9 million acres. Pasture and hay acres were among the land changes made.

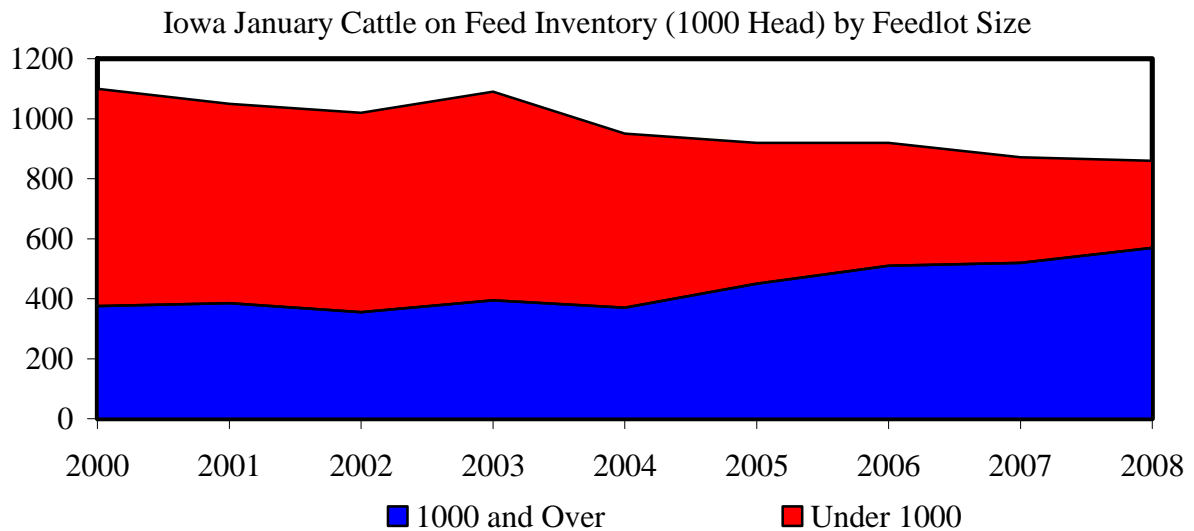
**Table 1. Change in Beef Cow and Heifer Inventories 2008 v. 2007**

	Beef Cows		Beef Replacements	
	Percent	1,000 Head	Percent	1,000 Head
Iowa	-5.1%	-55.0	-9.4%	-15.0
Rest of Cornbelt	-1.9%	-75.0	-5.4%	-38.0
NE,SD,TN,KY	-3.4%	-204.0	-6.5%	-65.0
Rest of Nation	0.0%	-4.7	-2.2%	-89.8

The U.S. Department of Agriculture also reports that there is a small decrease in the number of cattle on feed in Iowa compared to the year before. The 2008 January cattle report indicated there was 860,000 head of cattle, with 570,000 (66 percent) in feedlots that have more than 1,000-head capacity. Compared to January 2007, these lots increased inventory by 50,000 head, while the smaller lots reduced their inventories by 62,000 head. The current corn prices, which are turning more pastures to plows, will also cause more Iowa farmers to sell corn rather than feed it. Figure 1 shows the change in where Iowa cattle are being fed.

There is a lot of excitement around feedlot expansion in the state, but we seldom see the decrease in feeding in the smaller lots. The 2007 Census of Agriculture forms you

have received is the only way to know if the numbers are correct. So I encourage you to complete and return the census form.



*John Lawrence*

---

Dr. John D. Lawrence, Professor  
Extension Livestock Economist  
Iowa Beef Center, Director  
468 Heady Hall  
Phone: (515) 294-6290  
Fax: (515) 294-1700  
[jdlaw@iastate.edu](mailto:jdlaw@iastate.edu)  
[www.econ.iastate.edu/faculty/lawrence](http://www.econ.iastate.edu/faculty/lawrence)

Shane Ellis  
Extension Livestock Economist  
475 Heady Hall  
Phone: (515) 294-8030  
Fax: (515) 294-1700  
[shanee@iastate.edu](mailto:shanee@iastate.edu)  
[www.econ.iastate.edu/prosci/ellis](http://www.econ.iastate.edu/prosci/ellis)

---