



Effects of the Flood on the Livestock Industry: Report to Legislative Study Committee

Maynard Hogberg and John Lawrence
Iowa State University

Overview

- Direct effects of flooding on livestock and poultry producers
- Indirect effects related to feed costs
- Differential impacts
- Ongoing and unknown

Direct Impacts

- Relatively few animals and some facilities, but individual farms may have significant losses
 - Tornado: a few dozen cattle and several buildings
 - Flood: 15 hog operations near Oakville, unsure of hog losses

Direct Impacts

- Pasture damage and lost grazing
 - Many river and creek bottom pastures
 - Fence, silt and debris
 - Cost to repair and clean-up
 - Ongoing loss of production or weed problems
 - Not aware of assistance that is available
 - Lost grazing days
 - Damage to overstocked wet pastures
 - Many had to purchase hay at high prices
 - Cost of feeding stored feed

Direct Impacts

- Impact on hay production more widespread that flood impacted farms
 - First cutting lost or late (mature)
 - Later cuttings generally good
 - Net for season appears to be lower quality and quantity and will likely require supplemental feeding in winter

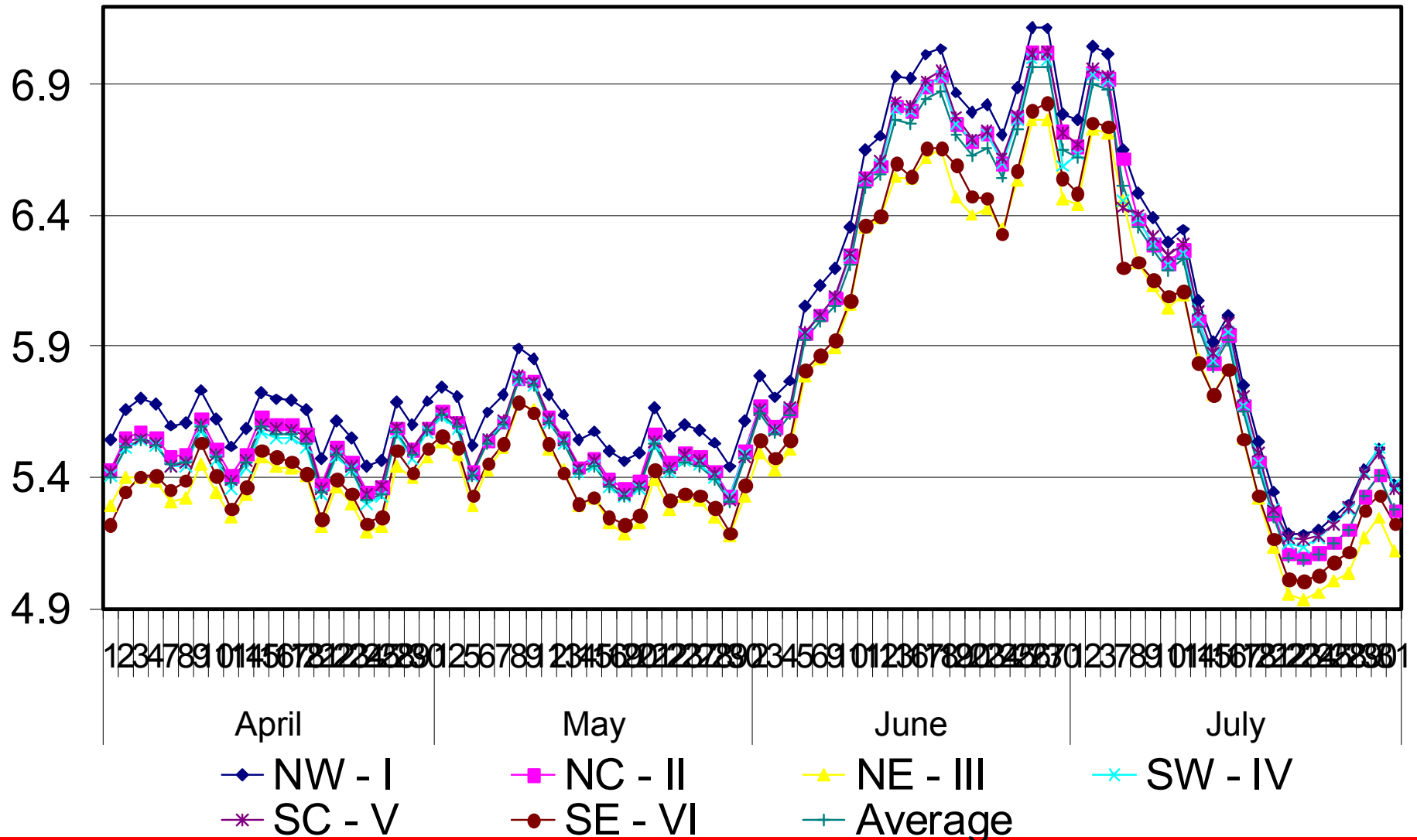
Direct Impacts

- Corn processing shutdown in Cedar Rapids
 - Many cattle feeders have wet corn gluten feed delivered regularly
 - Had to find alternative, more distant suppliers or switch cattle to different diet which can disrupt performance
- Increased feed delivery cost due to flooded or damaged roads

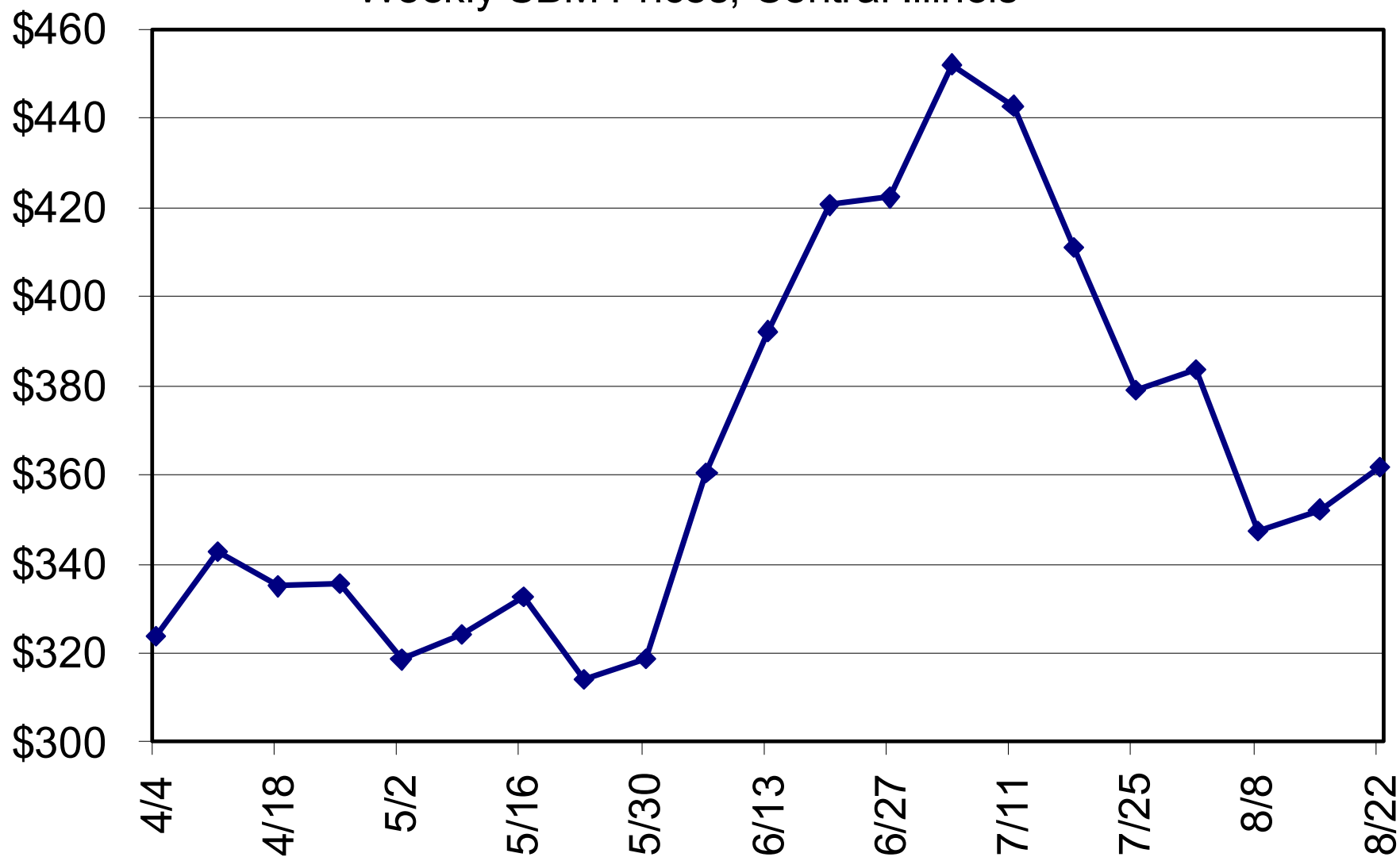
Indirect Impacts

- Feed prices impact all animal agriculture
 - Sharp rise in June and decline in July
 - May 30 – June 27 \$1.50/bu increase
 - June 27 – July 31 \$1.69/bu decrease
 - Lowest prices in eastern Iowa
- All feed prices increased

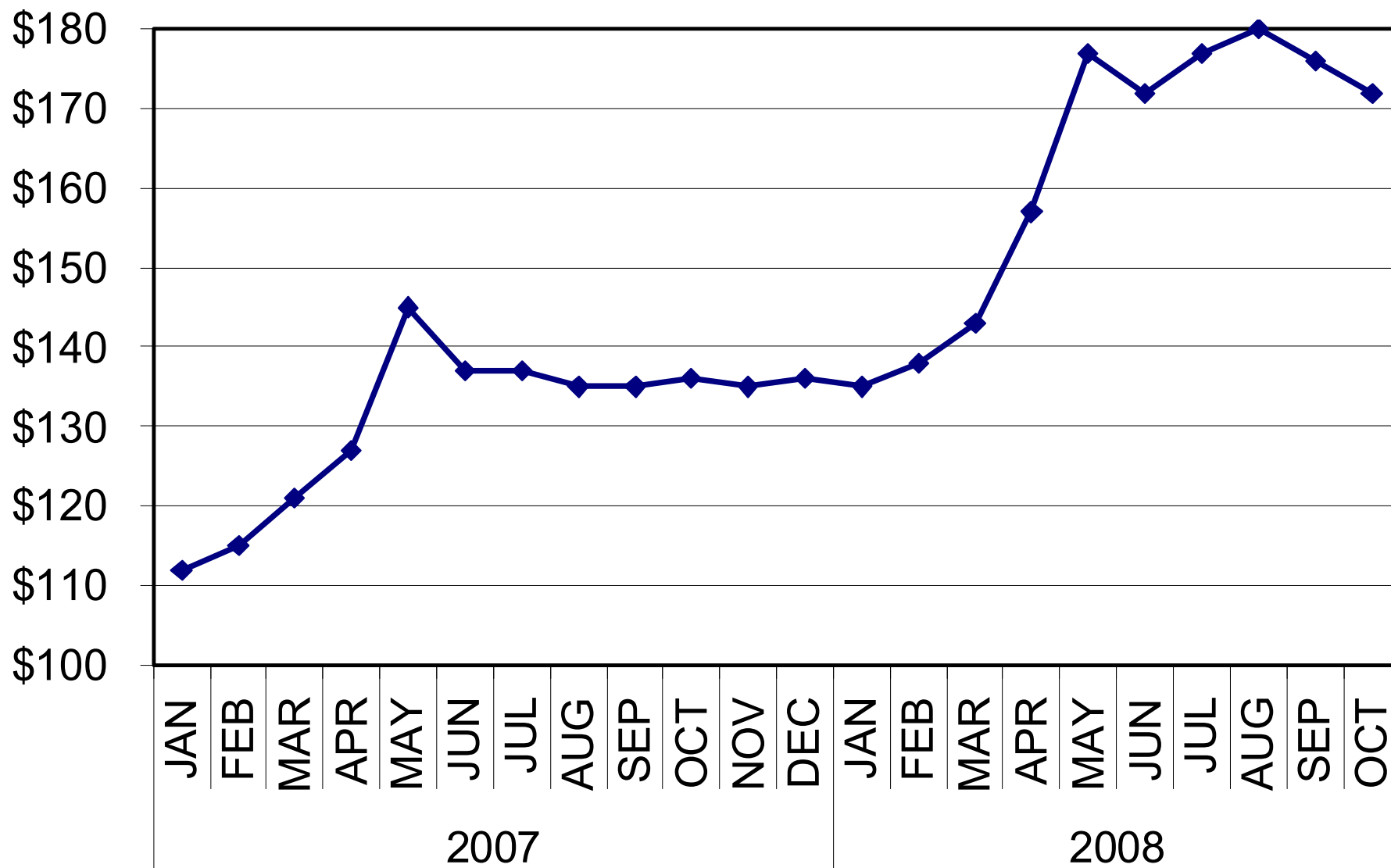
Iowa Daily Corn Prices, by District, Source IDALS



Weekly SBM Prices, Central Illinois

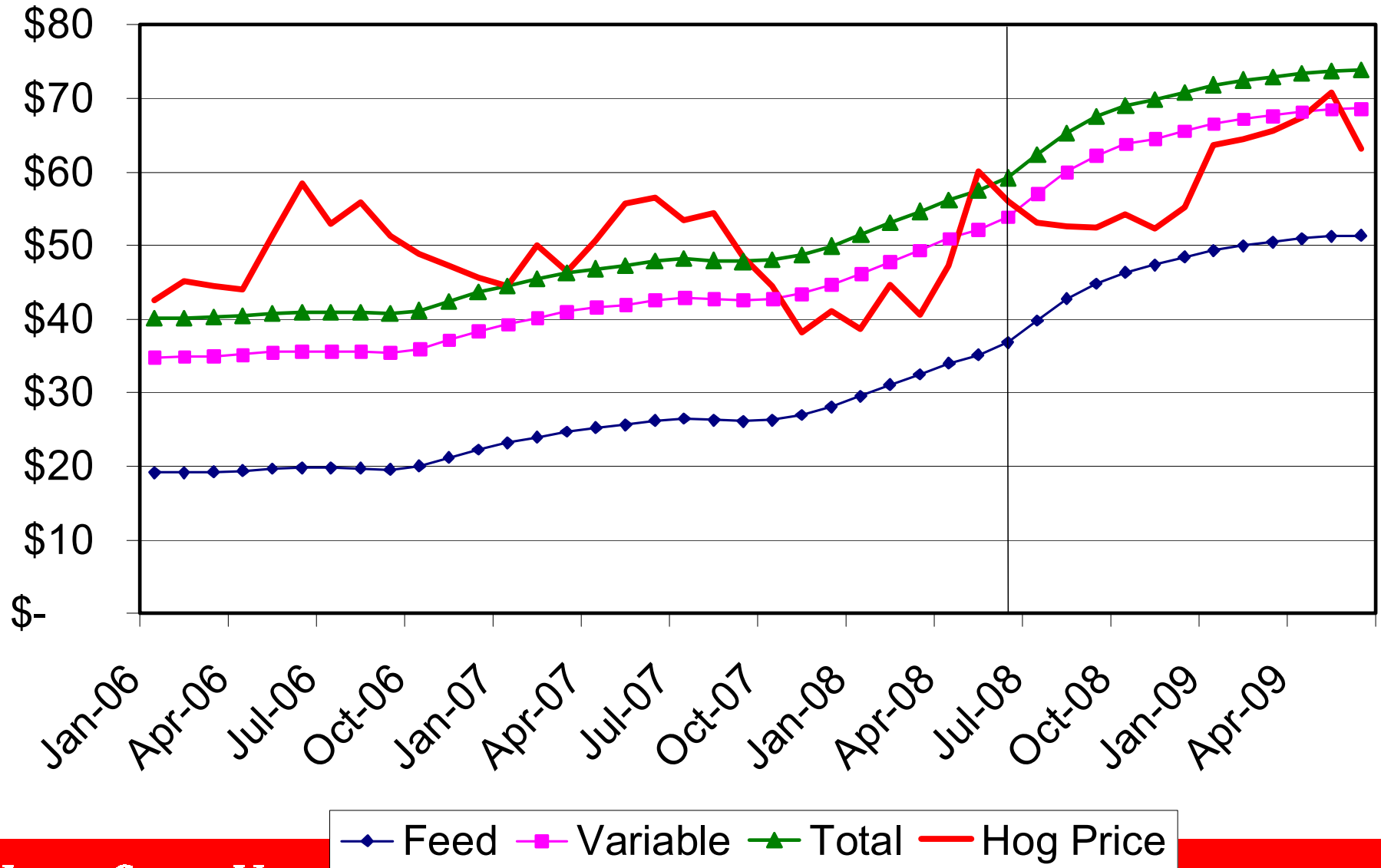


US Alfalfa Hay Prices

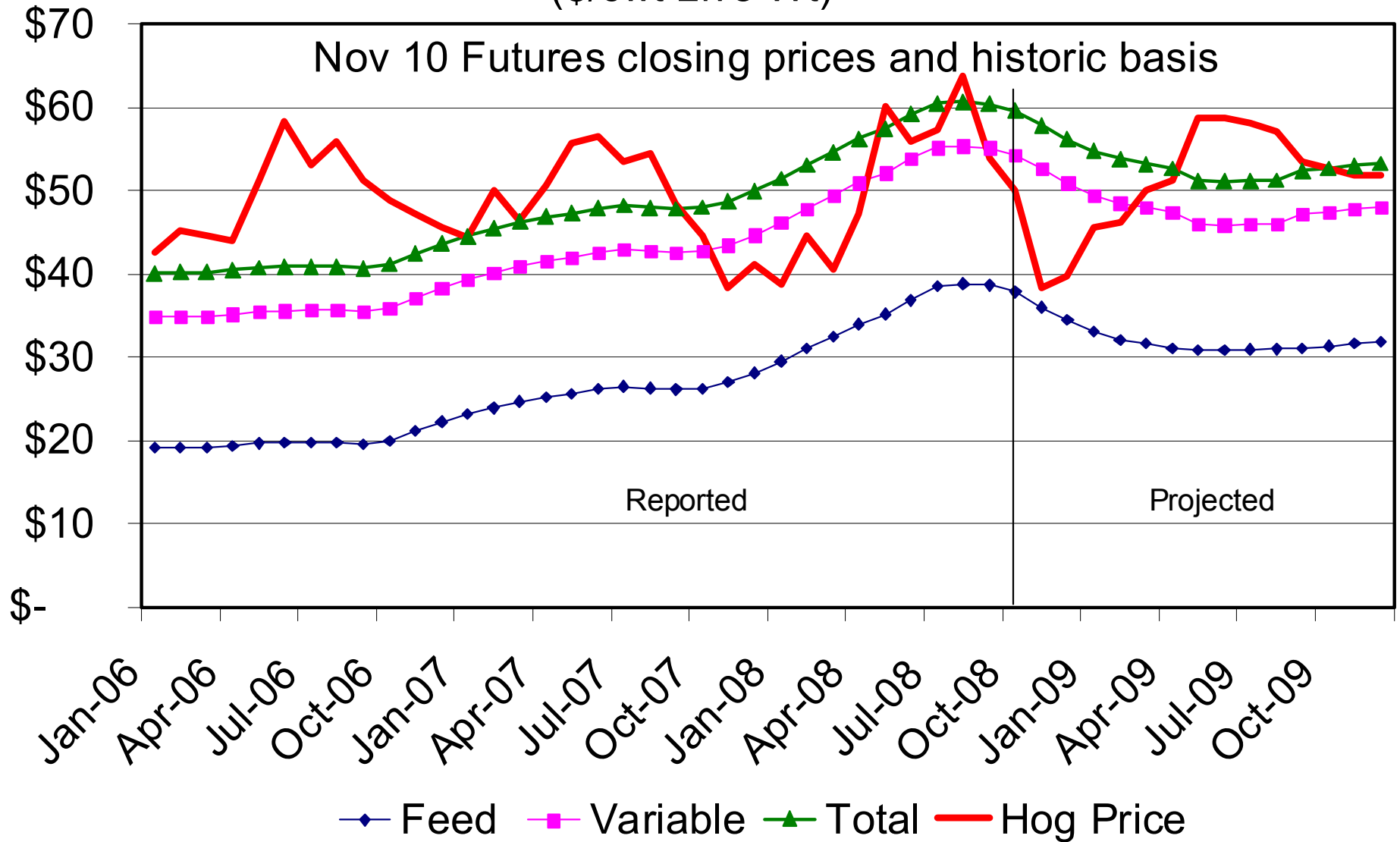


ISU Estimated Costs and Selling Prices, Farrow to Finish

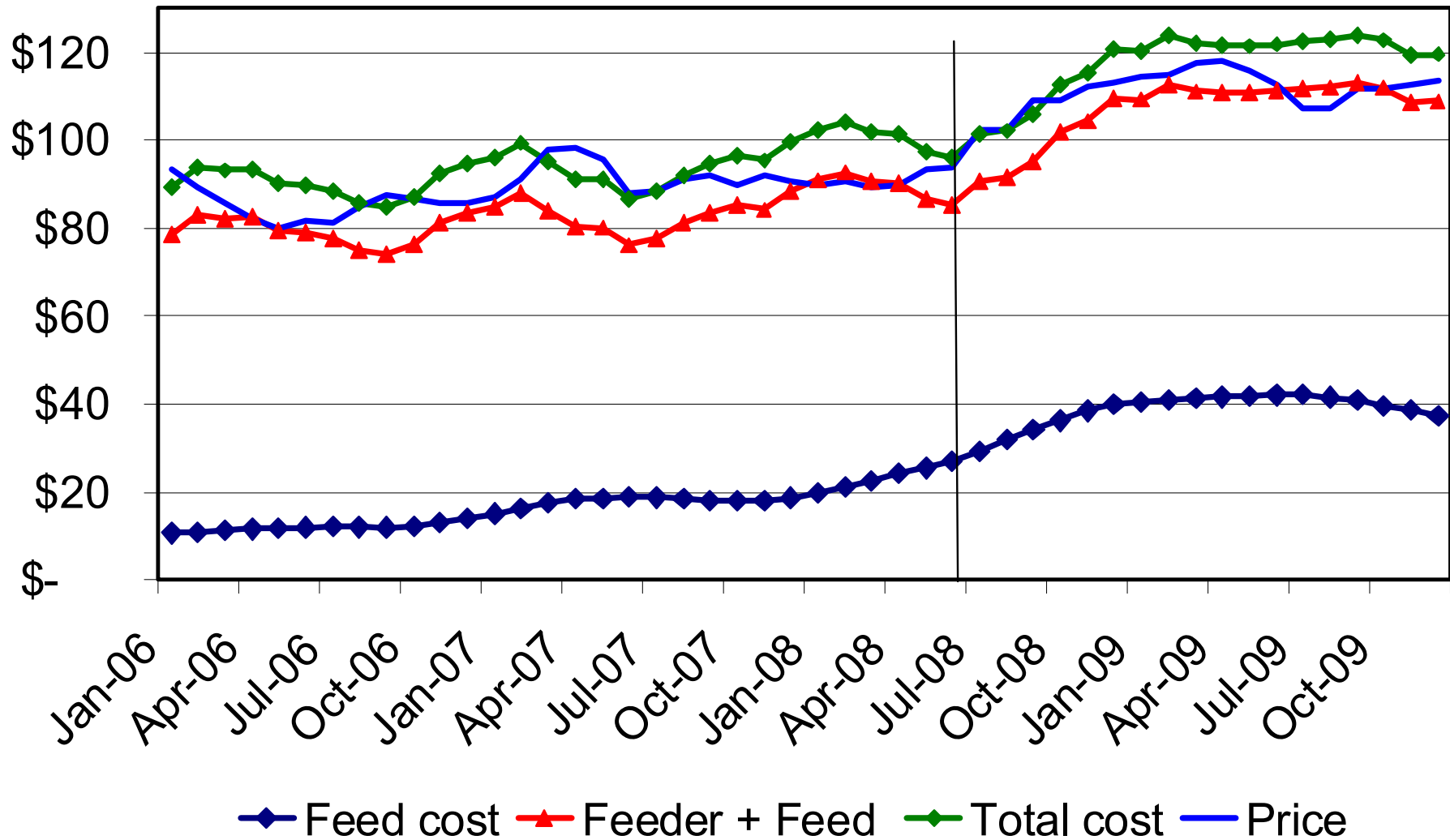
June 27 Cost and Price Forecast



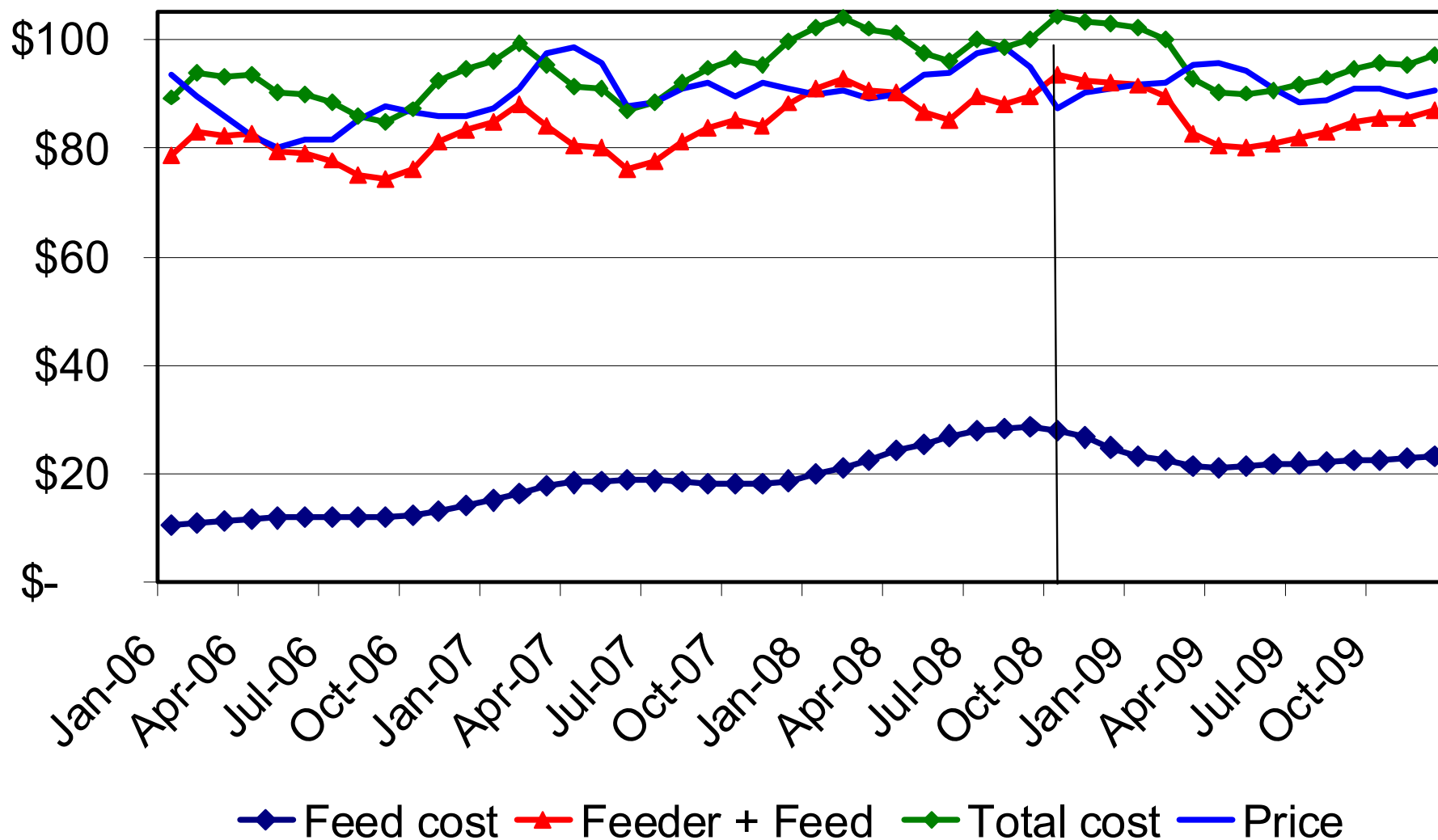
ISU Estimated Costs and Selling Prices, Farrow to Finish (\$/cwt Live Wt)



Estimated Costs and Price for Yearling Steers (\$/cwt Live) June 27 Futures Price



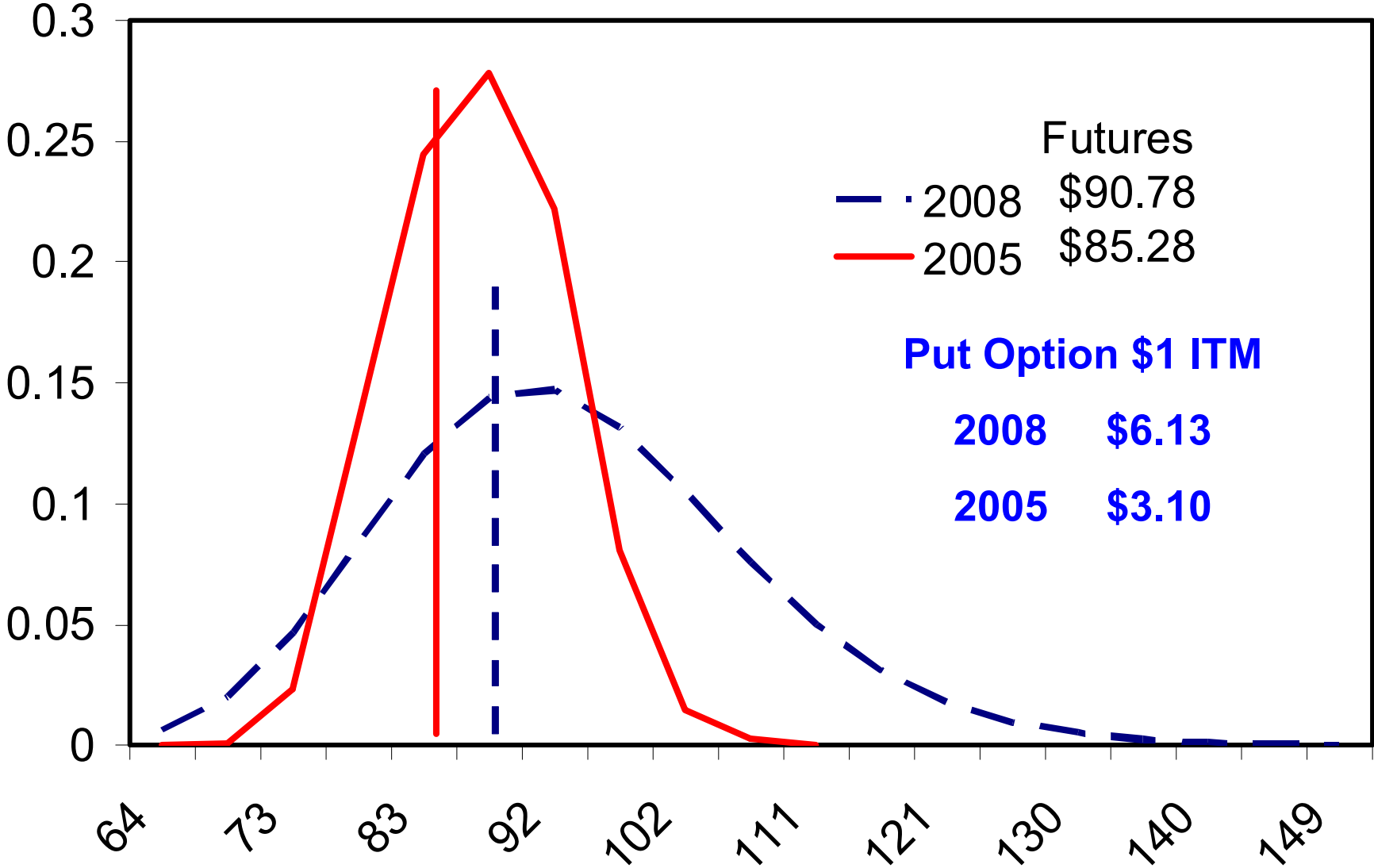
Estimated Costs and Price for Yearling Steers (\$/cwt Live) Nov 10 Futures Price



Ongoing and Unknown

- Delayed season
 - Late harvest
 - Higher drying costs
 - Delayed manure application season
- Grain quality concerns
 - May not be testing or may show up later
 - Protein content of grain due to leaching
- Forage quality
- Equity drain

June Live Cattle Price Risk, November 1



MCOOL

- Packers and retailers settling in on plan
- Hog and cattle shuffle
 - Company, plant or time
 - May discount Canadian/Mexican animals
- Animals move with affidavit
- Seller keeps normal business records and affidavit from seller if purchased
- www.IowaBeefCenter.org

Thank you!

Any Questions?

www.econ.iastate.edu/faculty/lawrence/