



AG UPDATE

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LAND VALUES 2005

The farm real estate value of all land and buildings in **Colorado** averaged \$845 per acre as of January 1, 2005, up 9 percent from the previous year. The average value of all cropland, at \$1,110 per acre, increased 4.7 percent while the average value of pastureland increased 18.1 percent from the previous year to \$555 per acre. The average value of irrigated cropland advanced 11.9 percent to \$2,350 per acre and the value of non-irrigated land increased 7.8 percent to \$625 per acre.

Farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$1,510 per acre on January 1, 2005, up 11.0 percent from 2004. This is the largest percentage increase since 1981, when farm real estate values rose 11.1 percent from the previous year. The \$150 per acre increase is the largest dollar increase on record. The previous record was 1980, when values climbed \$109 per acre above the 1979 value. Cropland and pasture values rose by 11.3 and 9.5 percent, respectively, from January 1, 2004. Cropland values averaged \$1,970 per acre and pasture values averaged \$694 per acre on January 1, 2005, compared with \$1,770 and \$634 per acre, respectively, a year earlier. The value of other land and buildings increased 11.9 percent.

Regional increases in the average value of farm real estate ranged from 8.2 percent in the Delta and Southern Plains regions to 13.2 percent in the Northeast and Southeast Regions. The highest farm real estate values were in the Northeast region, where urban influences have pushed the average value to \$4,020 per acre. In the Corn Belt region farm real estate values rose 10.9 percent, to \$2,550 per acre. The Mountain region, with its expanse of pasture and rangeland, had the lowest farm real estate value, at \$599 per acre.

Cropland values in the Southeast region, at \$2,960, had the highest average increase in cropland value, up \$500 per acre. In the Corn Belt region cropland values rose 12.2 percent, to \$2,750 per acre and the Lake States increased 9.4 percent, to \$2,220 per acre. Together, the Corn Belt and Lake States regions account for nearly one-third of the U.S. total cropland acres.

MILK PRODUCTION JULY 2005

Milk production in **Colorado** during the July 2005 totaled 206 million pounds, up 25 million pounds from the 181 million pounds produced during the same period a year earlier. The average number of milk cows for July of this year was 105,000 head, up 2,000 head from July 2004. Production per cow averaged 1,960 pounds for July, 11 percent above the 1,760 produced a year ago.

Milk production in the **23 major States** during July totaled 13.7 billion pounds, up 4.2 percent from July 2004. June revised production, at 13.7 billion pounds, was up 5.6 percent from June 2004. The June revision represented an increase of 0.2 percent or 28 million pounds from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,682 pounds for July, 59 pounds above July 2004. The number of milk cows on farms in the 23 major States was 8.14 million head, 48,000 head more than July 2004, and 12,000 head more than June 2005.

Milk Cows and Milk Production, 23 States

Item	Unit	2004	2005
Colorado:			
Milk Cows <u>1/</u>	1,000 head	103	105
Milk Per Cow <u>2/</u>	Lbs.	1,760	1,960
Production <u>2/</u>	Mil. lbs.	181	206
United States:			
Milk Cows <u>1/</u>	1,000 head	8,096	8,144
Milk Per Cow <u>2/</u>	Lbs.	1,623	1,682
Production <u>2/</u>	Mil. lbs.	13,143	13,698

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

CROP PRODUCTION AUGUST 1, 2005

COLORADO HIGHLIGHTS

Colorado spring and summer crop prospects are mixed compared with last year. Dryland crops suffered from very hot and dry conditions in May and July while irrigated crops are being maintained in mostly good condition.

Winter wheat production is now forecast at 57.6 million bushels, down 7.2 million from the July 1 forecast but 11.7 million bushels above the 2004 crop. Growers harvested an estimated 2.4 million acres this year with an average yield of 24.0 bushels per acre, up from 1.7 million acres harvested last year but down 3 bushels from an average yield of 27.0 bushels per acre a year earlier. Hot and dry conditions at critical stages of crop development reduced the yield potential held early in the growing season. Barley production is forecast at 6.96 million bushels, down 23 percent from last year's crop of 9.09 million bushels. The area for harvest in 2005, at 58,000 acres, is also down from last year by 19,000 acres. Barley yield, however, is estimated at 120.0 bushels per acre, up 2 bushels from last year's average and a record high yield if realized.

Corn production is initially forecast at 128.78 million bushels, down 8 percent from last year's 140.40 million bushels. The 940,000 acres expected to be harvested for grain this year is 10 percent lower than a year ago. Average yield is expected to rise to 137.0 bushels per acre from 135.0 last year. Sorghum production in 2005 is forecast at 4.64 million bushels, 14 percent smaller than the 5.40 million bushels produced a year earlier. Growers expect to harvest 160,000 acres this year, down from 180,000 acres harvested last year. Yield prospects are also slightly lower from a year ago as producers expect to average 29.0 bushels per acre this year compared with 30.0 bushels per acre on the 2004 crop. Dry bean production for 2005 is forecast at 1.914 million hundredweight, 84 percent above the 1.039 million hundredweight produced a year earlier. Yields are expected to average 1,650 pounds per acre, up 100 pounds from last year's crop. An acreage adjustment since the June Acreage Report increased planted acreage by 20,000 acres to 130,000 acres. Growers expect to harvest 116,000 acres this year, up from 67,000 acres last year. Sugarbeet production is forecast at 691,000 tons, down 18 percent from 838,000 tons produced in 2004. Growers expect to harvest 34,400 acres this year compared with 33,500 a year ago. Yields are expected to average 20.1 tons per acre, down from 25.0 a year ago. Colorado farmers and ranchers expect to harvest 740,000 acres of alfalfa hay this year, down from 770,000 acres harvested in 2004. They also expect to harvest 730,000 acres of all other hay in 2005, compared with 750,000 acres harvested last year. Alfalfa production is forecast at 2.52 million tons, slightly less than 2004's output of 2.54 million tons and all other hay is estimated at 1.10 million tons, down 3 percent from a year ago.

Colorado's apple production for this year is forecast at 28.0 million pounds which is equal to last year's production. The 2005 peach crop is expected to decrease 1,000 tons from last year to 12,000 tons and pear production is forecast at 2,800 tons, up from 2,600 tons produced a year ago.

UNITED STATES HIGHLIGHTS

All wheat production, at 2.17 billion bushels, is down 2 percent from the July forecast but up slightly from 2004. Based on August 1 conditions, the U.S. yield is forecast at 43.0 bushels per acre, down 0.8 bushel from last month and 0.2 bushel below last year.

The final Winter wheat production forecast is 1.52 billion bushels. This is down slightly from last month but 1 percent above 2004. Area harvested for grain totals 34.3 million acres, unchanged from last month but down 1 percent from last year. The U.S. yield is forecast at 44.4 bushels per acre, down 0.1 bushel from last month. Durum wheat production is forecast at 93.0 million bushels, down 1 percent from last month but up 3 percent from 2004. The U.S. yield is forecast at 37.9 bushels per acre, 0.5 bushel less than last month. Area harvested for grain is forecast at 2.45 million acres, unchanged from last month but 4 percent more than last year.

Other Spring wheat production is forecast at 553 million bushels, down 6 percent from last month and 3 percent below 2004. Acreage intended for harvest is unchanged from last month. The U.S. yield is forecast at 40.6 bushels per acre, 2.6 bushels less than on July 1. Of the production total, 516 million is Hard Red Spring wheat, down 6 percent from last month.

Barley production for 2005 is forecast at 237 million bushels, down 3 percent from the July forecast and 15 percent below 2004. Based on August 1 conditions, producers expect to harvest an average of 68.2 bushels per acre, down 1.8 bushels from July and down 1.2 bushels from last year. Area harvested, at 3.47 million acres, is unchanged from last month but down 14 percent from 2004. Yield forecasts were down from last month in most States due to hot, dry weather. Corn for grain planted for all purposes, at 81.6 million acres, is unchanged from June but up 1 percent from 2004. U.S. farmers expect to harvest 74.4 million acres of corn for grain, also unchanged from June but up 1 percent from last year. As of July 31, fifty-three percent of the crop was rated good to excellent, down 9 percentage points from early July and 23 points below a year ago.

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Acres, yield, and production, Colorado and United States, 2004-2005

Area and Crop	Planted Acres		Harvested Acres		Unit	Yield Per Acre		Production	
	2004	2005	2004	2005		2004	2005	2004	2005
	1,000 acres		1,000 acres			Units per acre		1,000 units	
Colorado:									
All Corn <u>1/</u>	1,200	1,100	1,040	940	Bu.	135.0	137.0	140,400	128,780
All Sorghum <u>1/</u>	280	200	180	160	Bu.	30.0	29.0	5,400	4,640
All Wheat	2,315	2,670	1,714	2,419	Bu.	27.4	<u>5/</u>	46,880	<u>5/</u>
Winter Wheat	2,300	2,650	1,700	2,400	Bu.	27.0	24.0	45,900	57,600
Spring Wheat.....	15	20	14	19	Bu.	70.0	<u>5/</u>	980	<u>5/</u>
Oats.....	75	75	20	25	Bu.	55.0	<u>5/</u>	1,100	<u>5/</u>
Barley	80	60	77	58	Bu.	118.0	120.0	9,086	6,960
Proso Millet	370	320	330	<u>4/</u>	Bu.	24.0	<u>4/</u>	7,920	<u>4/</u>
All Hay .....	...	...	1,520	1,470	Tons	2.41	2.46	3,666	3,611
Alfalfa Hay .....	...	...	770	740	Tons	3.30	3.40	2,541	2,516
Other Hay .....	...	...	750	730	Tons	1.50	1.50	1,125	1,095
Sugar beets	36.0	35.0	33.5	34.4	Tons	25.0	20.1	838	691
Dry edible beans	75.0	130.0	67.0	116.0	Cwt.	15.50	16.50	1,039	1,914
Sunflowers, All.....	135	180	123	168	Lbs.	1,193	<u>6/</u>	146,700	<u>6/</u>
Sunflowers, Oil.....	90	130	80	120	Lbs.	1,350	<u>4/</u>	108,000	<u>4/</u>
Sunflowers, Non-Oil	45	50	43	48	Lbs.	900	<u>4/</u>	38,700	<u>4/</u>
All potatoes.....	70.9	63.1	70.1	62.8	Cwt.	360	<u>7/</u>	25,265	<u>7/</u>
Summer potatoes	5.9	4.9	5.8	4.8	Cwt.	365	365	2,117	1,752
Fall potatoes.....	65.0	58.2	64.3	58.0	Cwt.	360	<u>7/</u>	23,148	<u>7/</u>
Apples.....	...	...	...	...	Lbs.	...	...	28,000	28,000
Peaches .....	...	...	...	...	Tons	...	...	13.0	12.0
Pears .....	...	...	...	...	Tons	...	...	2.6	2.8
Tart Cherries.....	...	...	...	...	Lbs.	...	...	200	<u>8/</u>
United States:									
All Corn <u>1/</u>	80,930	81,592	73,632	74,368	Bu.	160.4	139.2	11,807,217	10,349,841
All Sorghum <u>1/</u>	7,486	7,013	6,517	6,030	Bu.	69.8	63.1	454,899	380,319
All Wheat <u>2/</u>	59,674	58,080	49,999	50,361	Bu.	43.2	43.0	2,158,245	2,167,178
Winter Wheat	43,350	41,408	34,462	34,271	Bu.	43.5	44.4	1,499,434	1,520,848
Spring Wheat.....	13,763	14,099	13,174	13,637	Bu.	43.2	40.6	568,918	553,375
Oats.....	4,085	4,342	1,792	1,976	Bu.	64.7	64.7	115,935	127,819
Barley	4,527	3,970	4,021	3,471	Bu.	69.4	68.2	279,253	236,729
Rye.....	1,380	1,440	320.0	323.0	Bu.	26.9	<u>5/</u>	8,615	<u>5/</u>
Proso Millet	710	590	595	<u>4/</u>	Bu.	25.3	<u>4/</u>	15,065	<u>4/</u>
All Hay .....	...	...	61,916	61,723	Tons	2.55	2.43	157,774	149,917
Alfalfa Hay .....	...	...	21,707	22,118	Tons	3.47	3.34	75,383	73,849
Other Hay .....	...	...	40,209	39,605	Tons	2.05	1.92	82,391	76,068
Sugar beets	1,345.9	1,284.6	1,306.9	1,257.5	Tons	22.9	21.3	29,956	26,639
Dry edible beans	1,354.3	1,668.8	1,219.3	1,530.8	Cwt.	1,460	1,687	17,799	25,829
Sunflowers, All.....	1,873	2,714	1,711	2,584	Lbs.	1,197	<u>6/</u>	2,047,863	<u>6/</u>
Sunflowers, Oil.....	1,533	2,176	1,424	2,076	Lbs.	1,237	<u>4/</u>	1,761,628	<u>4/</u>
Sunflowers, Non-Oil	340	538	287	508	Lbs.	997	<u>4/</u>	286,235	<u>4/</u>
All potatoes <u>3/</u>	1,193.4	1,107.2	1,167.5	1,089.0	Cwt.	391	<u>7/</u>	455,933	<u>7/</u>
Summer potatoes	58.5	51.1	54.0	49.1	Cwt.	341	331	18,429	16,243
Fall potatoes.....	1,039.7	970.4	1,022.8	955.7	Cwt.	401	<u>7/</u>	410,023	<u>7/</u>
Soybeans.....	75,208	73,103	73,958	72,184	Bu.	42.5	38.7	3,140,996	2,791,133
Apples.....	...	...	...	...	Lbs.	...	...	10,419.9	9,837.1
Peaches .....	...	...	...	...	Tons	...	...	1,307.1	1,233.9
Pears .....	...	...	...	...	Tons	...	...	890.3	853.0
Tart Cherries.....	...	...	...	...	Lbs.	...	...	213,000	244,200

1/ Planted for all purposes; harvested for grain. 2/ Includes Durum Wheat. 3/ Includes Winter and Spring Crops. 4/ Jan. 2006
5/ September 30, 2005. 6/ October 12, 2005. 7/ November 10, 2005. 8/ Discontinued in 2005.

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Soybeans area planted, at 73.1 million acres, is down 200,000 from June and down 3 percent from last year's record high acreage. The decrease from June was primarily due to rainy weather from mid-May into July that kept field conditions too wet for seeding and prevented some eastern North Dakota farmers from planting the soybean acreage they intended. U.S. producers expect to harvest 72.2 million acres, down slightly from June and down 2 percent from the 2004 acreage.

U.S. dry edible bean production is forecast at 25.8 million cwt in 2005, up 45 percent from last year and 15 percent above 2 years ago. Production is expected to be above last year in 16 of the 17 producing States. Planted area is estimated at 1.67 million acres, 23 percent above last year and up 19 percent from 2 years ago. Harvested acreage is forecast at 1.53 million acres, up 26 percent from last year and 14 percent above 2003. The average U.S. yield is forecast at 1,687 pounds per acre, an increase of 227 pounds from last year and 17 pounds more than 2 years ago.

Sugarbeets production for 2005 is forecast to be 26.6 million tons. If realized, this would be 11 percent below last year's production. Growers in the 12 sugarbeet producing states expect to harvest 1.25 million acres, down 1 percent from the June estimate and down 5 percent from last year. The yield is forecast at 21.3 tons per acre, 1.6 tons below 2004.

Alfalfa production is forecast at 73.8 million tons, down 2 percent from last year. Yields are expected to average 3.34 tons per acre, a decrease of 0.13 ton from last year. Harvested area is forecast at 22.1 million acres, unchanged from June but up 2 percent from 2004. Other hay production is forecast at 76.1 million tons, down 8 percent from 2004. Based on August 1 conditions, yields are expected to average 1.92 tons, down 0.13 ton from last year. Harvested area, at 39.6 million acres, is unchanged from June but down 2 percent from the previous year. Yields are at or below last year's level in 18 States. Dry conditions across much of the Corn Belt and southern Great Plains have contributed to decreased yield expectations.

The first production forecast for the 2005 apple crop is 9.84 billion pounds, down 6 percent from last year but 12 percent above 2003. Compared to 2004, production decreases in the Eastern and Western States offset a projected increase in the Central States. Production forecasts for Arkansas, Kansas, and New Mexico are no longer available. The August 2005 forecast of peach production is 1.23 million tons, 1 percent below the July forecast and 6 percent below 2004. Michigan's crop expectations were lowered from 19,000 tons to 15,000 tons. New Jersey's forecast, at 32,500 tons, is 2,500 tons greater than the July forecast. South Carolina's forecast decreased from 75,000 tons to 70,000 tons, while Pennsylvania and Washington remain unchanged from July, at 20,500 and 22,000 tons, respectively. Pear production for 2005 is forecast at 852,980 tons, down 4 percent from last year and 9 percent below 2003. Bartlett pear production for California, Oregon, and Washington is

forecast at 408,000 tons, 7 percent below the June forecast and 11 percent less than a year ago. Other pear production in the Pacific Coast States is expected to total 422,000 tons, 4 percent higher than last year but 6 percent below 2003.

CASH RENTS

Cash rent for **Colorado** cropland in 2005 increased \$3 per acre from a year earlier to \$61 per acre. The average cash rent for irrigated cropland, at \$100 per acre, increased \$9 from the previous year. Cash rent for non-irrigated cropland increased \$1.00 to \$23.00 per acre. Pastureland rented for cash averaged \$4.30 per acre in 2005, up from \$3.70 the previous year.

Cash Rents per acre paid to landlords for cropland rose 2.0 percent while pasture rents increased 7.3 percent for the 2005 crop and grazing year. Cropland cash rents paid in 2005 averaged \$78.00 per acre, compared with \$76.50 per acre for 2004. Pasture cash rents averaged \$10.30 per acre, 70 cents higher than the \$9.60 per acre in 2004. The increases in cropland and pasture rental rates continue to reflect producers' optimism following the combination of high production and price levels of major U.S. agricultural commodities in 2004.

Cropland cash rents reported in 2005 increased in all regions except the Mountain region, where rental rates declined 50 cents to \$62.00 per acre. The Southern Plains region, at \$30.50 per acre, was unchanged. In the remaining regions, increases in cropland cash rents varied from 2.4 percent in the Lake States to 7.9 percent in the Southeast region. The Corn Belt and Northern Plains regions, which together accounted for slightly more than one half of cash-rented cropland acreage, increased 2.6 and 6.0 percent, respectively, from 2004. Cropland cash rents increased \$3.00 per acre, to \$117.00, in the Corn Belt and \$3.00 per acre, to \$53.00, in the Northern Plains. The major corn and soybean producing States of Illinois, Indiana, and Iowa experienced increases ranging from 1.9 to 4.0 percent for cropland cash rents. Illinois and Iowa cropland cash rents averaged \$129.00 and \$131.00 per acre, respectively.

UPCOMING REPORTS

Colorado and U.S. data from most of the following reports will appear in subsequent issues of AG UPDATE. However, those who have an immediate need for the data may call this office after 1:15 P.M. on the day of release - toll free 1-800-392-3202. The complete USDA report is also available on the Worldwide Web at: <http://www.usda.gov/nass/>

- Aug. 16 - Mushrooms
- Aug. 19 - Farm Labor
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- Aug. 19 - Livestock Slaughter
- Aug. 22 - Cold Storage
- Aug. 23 - Chicken and Eggs
- Aug. 31 - Agricultural Prices

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