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INDIANA CATTLE NUMBERS DOWN 3 PERCENT

Indiana's cattle producers had a total inventory of 830,000 head on January 1, 2004, down 3 percent from a year earlier. Beef cows in Indiana, at 227,000 head, and milk cows, at 143,000 head, were both down 1 percent from the previous year.

All cattle and calves in the United States as of January 1, 2004, totaled 94.9 million head, 1 percent below the 96.1 million on January 1, 2003. The 2003 calf crop was estimated at 37.9 million head, down 1 percent from 2002. Beef cows, at 32.86 million,

were down slightly from January 1, 2003. Milk cows, at 8.99 million, were down 2 percent from January 1, 2003. All cows and heifers that have calved, at 41.9 million, were down 1 percent from the 42.1 million on January 1, 2003. Other class estimates on January 1, 2004, and the percentage changes from January 1 last year are as follows: beef replacement heifers, 5.52 million, down 2 percent; milk replacement heifers, 4.02 million, down 2 percent; steers weighing 500 pounds and over, 16.3 million, down 2 percent.

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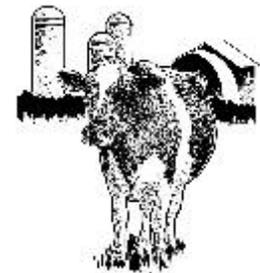
Cattle Inventory

ARMS

Agricultural Prices

Egg Production

Sheep Inventory



CATTLE AND CALVES BY CLASS, JANUARY 1, 2004

Class	Indiana			United States		
	2003	2004	2004 as a % of 2003	2003	2004	2004 as a % of 2003
	<u>1,000 Head</u>		<u>Percent</u>	<u>1,000 Head</u>		<u>Percent</u>
All Cattle and Calves	860	830	97	96,100	94,882	99
Cows and Heifers that have	375	370	99	42,125	41,851	99
Beef Cows	230	227	99	32,983	32,860	100
Milk Cows	145	143	99	9,142	8,991	98
Heifers 500 lb. and over	152	158	104	19,628	19,341	99
For Beef Cow Replacement	41	41	100	5,624	5,517	98
For Milk Cow Replacement	55	55	100	4,114	4,020	98
Other Heifers	56	62	111	9,891	9,804	99
Steers 500 lb. and over	128	113	88	16,554	16,280	98
Bulls 500 lb. and over	20	19	95	2,248	2,206	98
All Calves under 500 lb.	185	170	92	15,545	15,204	98
Cattle and Calves, Number on	115	105	91	13,220	13,811	104
	<u>2002</u>	<u>2003</u>	<u>03/02</u>	<u>2002</u>	<u>2003</u>	<u>03/02</u>
Calf Crop (entire year)	340	330	97	38,224	37,903	99

2003 AGRICULTURAL RESOURCE MANAGEMENT SURVEY - ARMS III

The USDA is gearing up to conduct the 2003 Agricultural Resource Management Survey, ARMS III.

This survey is a vital tool for measuring the economic health of Indiana' farms/ranches. Without these data, farm organizations, policymakers, and others who make critical decisions that affect our farmers/ranchers would make those decisions based on opinion rather than fact . . . and that's dangerous.

A few farmers/ranchers in some states will be mailed a short version of a questionnaire in January. Most producers will be personally visited by a trained interviewer in mid-February or early March to complete a more comprehensive questionnaire.

It's important that each producer respond because these results are based on a sample of producers, so each farmer/rancher surveyed represents 50-100 other producers. Every report counts.

ARMS data are the only national source of current information on agriculture. This allows the information specialists at the Economic Research Service (ERS) to quickly answer questions concerning the economic viability of American agriculture and other emerging issues. Requests for this information come from farm organizations, other government agencies, members of Congress, and State and local officials.

Decisions are going to be made, with or without good data. Where should government payments be targeted? How much is appropriate? Where can the lawmakers of the land best allocate the taxpayer's money? By responding to this survey, farmers and ranchers can help produce reliable, accurate descriptions of current economic conditions on farms, and thereby have a voice with policymakers and financial organizations.

Farmers face uncertainty about their future ability to sustain business. We know they sometimes struggle when declining market prices combine with higher input costs, land values, rent, and other costs. Then they are under economic strain, but how much? These survey results can help answer that question.

ARMS III data always plays a critical role in Farm Bill legislation. ARMS data will be used to determine the effectiveness of the Farm Bill and suggest modifications or policy changes. Producers receiving payments from a Farm Service Agency (FSA) office need to understand the importance of ARMS data for developing program payments.

ARMS III data are used by policymakers to assess the farm financial situation and to take appropriate action,

whether it be emergency assistance or new loan programs. The data plays an important role in evaluating the effects of natural disasters on cash receipts and net farm income and in formulating an appropriate policy response.

ARMS data are used to calculate farm income at the State and National level. These estimates are not available anywhere else. These income estimates are used by the Bureau of Economic Analysis (BEA) as a component in estimates of personal income, which are used to allocate funds and matching grant monies to States. If ARMS data were not available, the allocations of billions of dollars in federal funds, would be based on opinion or subjective information, rather than actual survey data.

These data – specifically the personal finance info at the end of the ARMS – are important in non-agricultural policy decisions. The same types of data are collected about the general public from the Current Population Survey (CPS), which is conducted by the Bureau of Labor Statistics and the Bureau of the Census. Without the ARMS, tax codes and other policies affecting personal, family finance would be based solely on the CPS (mostly urban and suburban families) and would not really consider farm families since they are not adequately represented in the CPS.

ARMS data have played a critical role in tax policy analysis. The Jobs and Growth Tax Relief Reconciliation Act of 2003 was passed and Agriculture Secretary Ann Veneman said, "The final bill continues to mean significant savings for farm families, which will receive more than \$4 billion in tax relief in 2003." The bill was predicted to benefit more than 86 percent of all farm households with an average tax reduction in 2003 of \$2,000 or a 16 percent savings. Without ARMS data, it would be more difficult to determine the impact of changes in tax policy.

Farm Progress - Information on Recipients of Government Payments, a report from the General Accounting Office to Senator Tom Harkin, D-IA and Chairman of the Senate's Agriculture, Nutrition, and Forestry Committee, drew heavily on ARMS III data. The report was used to determine the level of farm payments and how to best target these payments. This report was used by Congress for the Farm Bill legislation. Tell your story, and complete the ARMS questionnaire.

The first results will be published in the **Farm Production Expenditures** report, which will be released in July 2004. Reports from the National Agricultural Statistics Service, and other data from Indiana Agricultural Statistics Service, are available for free through our Web site at www.usda.gov/nass/. For more information, call (765)494-8371.

PRICES RECEIVED INDEX UP 5 POINTS

The January 2004 Index of Prices Received by Indiana Farmers at 108 (1991=100) was up 5 points from December's revised level and up 19 points from January 2003. The mid-month price for winter wheat, sows, and all milk decreased from last month. The mid-January price for corn, soybeans, barrows and gilts, and eggs increased from December. The mid-month price for corn, soybeans, winter

wheat, all hogs, milk cows, all milk, and eggs increased from the January 2003 level.

The Livestock Price Index of 84 was up 1 point from last month's revised index and 12 points above January 2003. The Crop Price Index of 124 was up 9 points from the revised index a month ago and 24 points above last year.

AVERAGE PRICES RECEIVED BY FARMERS -- INDIANA AND UNITED STATES JANUARY 2004 WITH COMPARISONS 1/

Commodity	Unit	Indiana			United States		
		January 2003	December 2003	January 15 2004	January 2003	December 2003	January 15 2004
		Dollars			Dollars		
Corn	Bu.	2.42	2.47	2.54	2.33	2.32	2.46
Soybeans	Bu.	5.62	7.44	8.22	5.51	7.17	7.82
Winter Wheat	Bu.	3.32	4.00	3.84	3.89	3.69	3.73
Oats	Bu.	7/	7/	7/	2.04	1.58	1.50
All Hay 2/	Ton	6/	6/	6/	91.40	81.30	79.30
Alfalfa Hay 2/	Ton	6/	6/	6/	98.50	87.90	83.60
Other Hay 2/	Ton	6/	6/	6/	78.10	66.90	71.40
Apples 2/	Lb.	6/	6/	6/	.258	.285	.301
All Hogs	Cwt.	32.20	34.20	35.20	33.00	34.20	35.70
Barrows & Gilts	Cwt.	32.90	34.50	35.60	33.50	34.60	36.10
Sows	Cwt.	25.40	31.40	31.30	22.20	28.10	28.80
All Beef Cattle	Cwt.	6/	6/	6/	73.20	90.50	77.40
Milk Cows 3/	Head	1300.00	3/	1400.00	1380.00	3/	1390.00
All Milk	Cwt.	11.20	13.40	12.50	11.70	13.70	13.10
Fluid Milk	Cwt.	11.30	13.40	4/	11.80	13.80	13.10
Manufactured	Cwt.	9.80	12.60	4/	10.50	12.70	12.50
Eggs 5/	Doz.	.600	.750	.800	.489	.739	.806
Turkeys 2/	Lb.	6/	6/	6/	.346	.377	.349

1/ Entire month price is a revision of the previous published mid-month price for all items except when footnoted otherwise. 2/ Mid-month Price. 3/ Animals sold for dairy herd replacements only. Prices published in January, April, July, and October. 4/ Only Whole-month Price published. 5/ Mid-month price for Market (table) eggs, including eggs sold retail by the producer. 6/ Monthly estimates discontinued. 7/ Not Published.

DECEMBER EGG PRODUCTION UP 3 PERCENT

Indiana's laying flocks produced 533 million eggs during December 2003, up 3 percent from a year ago. The average number of layers on hand at 23.4 million, was up 2 percent from both last month and last year. The rate of lay at 2,275 eggs per 100 layers was up 2 percent from last year. Indiana

hatcheries produced 5.06 million egg-type chicks during December, up 9 percent from a year ago. Accumulated hatchery production for January-December 2003 was 58.2 million, slightly above the same period of 2002.



EGG PRODUCTION, LAYERS, AND HATCHING NUMBERS INDIANA AND U.S., DECEMBER 2002-2003

Item	Indiana			United States		
	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002
Average Layers on Hand (thousands)	23,035	23,427	102	340,316	338,525	99
Eggs Per 100 Layers	2,236	2,275	102	2,189	2,225	102
Total Eggs Produced (millions)	515	533	103	7,451	7,531	101
Table Eggs (millions)	503	521	104	6,392	6,476	101
Hatching Eggs (millions)	12	12	100	1,058	1,056	100
Egg-Type Chicks Hatched (thousands)	4,634	5,060	109	31,973	33,856	106
Broiler-Type Chicks Hatched (thousands)	1/	1/	1/	753,875	778,159	103

1/ Not published to avoid disclosing individual operations.

INDIANA SHEEP NUMBERS DOWN 10 PERCENT

Sheep and lambs on Indiana farms January 1, 2004 totaled 45,000 head, down 10 percent from last year's inventory. The breeding sheep totaled 40,000 head, down 11 percent from a year ago. The sheep inventory included 30,000 ewes one year old and older, down 12 percent. The 2003 lamb crop in Indiana was 40,000 head, down 15 percent from 2002.

All sheep and lamb inventory in the United States on January 1, 2004 totaled 6.09 million head, down 3 percent from 2003.

Breeding sheep inventory declined to 4.48 million head on January 1, 2004, down 4 percent from 4.66 million head on January 1, 2003. Ewes one year old and older, at 3.60 million head, were 4 percent below last year. The 2003 lamb crop of 4.12 million head was down 5 percent from 2002 and established a new record low. The 2003 lambing rate was 109 per 100 ewes one year old and older on January 1, 2003, unchanged from 2002.



SHEEP AND LAMBS BY CLASS, JANUARY 1, 2004

Class	Indiana			United States		
	2003	2004	2004 as a % of 2003	2003	2004	2004 as a % of 2003
	<u>1,000 Head</u>		<u>Percent</u>	<u>1,000 Head</u>		<u>Percent</u>
All Sheep and Lambs	50.0	45.0	90	6,300.0	6,090.0	97
Breeding Sheep and Lambs	45.0	40.0	89	4,658.0	4,480.0	96
Ewes	34.0	30.0	88	3,770.0	3,601.0	96
Rams	2.5	3.0	120	193.0	188.5	98
Replacement Lambs	8.5	7.0	82	695.0	690.5	99
Market Sheep and Lambs	5.0	5.0	100	1,642.0	1,610.0	98
Market Sheep	0.3	0.5	167	66.8	67.3	101
Market Lambs	4.7	4.5	96	1,575.2	1,542.7	98
	<u>2002</u>	<u>2003</u>	<u>03/02</u>	<u>2002</u>	<u>2003</u>	<u>03/02</u>
Lamb Crop (entire year)	47.0	40.0	85	4,357.0	4,120.0	95

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