Agri-News

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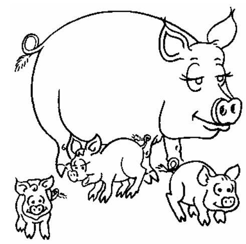

March 1 Hogs and Pigs

On March 1, there were 14.9 million hogs and pigs on Iowa farms. The March 1 inventory was slightly lower than last year.

The December-February pig crop this year was 3.49 million head. A total of 410 thousand sows farrowed with an average litter size of 8.5 pigs per sow.

As of March 1, producers planned to farrow 450 thousand head of sows and gilts in the March-May 2003 quarter. Farrowing intentions for the June-August 2003 period were estimated at 440 thousand as of March 1, 2003.

This report is a result of the voluntary response of Iowa farmers to our March 1, 2003, Hog Report.
We sincerely thank those producers for their cooperation.

Hogs and Pigs on Farms, March 1, 2002-03

State	Breeding			Market			Total		
	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002
	(000)		%	(000)		%	(000)		%
Illinois	450	420	93	3,750	3,530	94	4,200	3,950	94
Iowa	1,120	1,040	93	13,980	13,860	99	15,100	14,900	99
Minnesota	570	590	104	5,230	5,510	105	5,800	6,100	105
Missouri	370	360	97	2,580	2,590	100	2,950	2,950	100
Nebraska	390	375	96	2,610	2,475	95	3,000	2,850	95
North Carolina	1,000	1,000	100	8,800	8,600	98	9,800	9,600	98
U.S.	6,236	5,956	96	53,011	52,151	98	59,248	58,107	98

Market Hogs and Pigs: Inventory Number, By Weight Groups, March 1, 2002-03

State	Under 60 lbs.		60-119 lbs.		120-179 lbs.		180 lbs. and over	
	2002	2003	2002	2003	2002	2003	2002	2003
	- - - - - - - - - - 1,000 head - - - - - - - - - -							
Illinois	1,330	1,270	940	860	820	780	660	620
Iowa	4,360	4,300	3,800	3,810	3,220	3,100	2,600	2,650
Minnesota	2,070	2,120	1,330	1,320	1,060	1,190	770	880
Missouri	1,120	1,230	630	570	520	480	310	310
Nebraska	1,070	1,000	680	610	500	470	360	395
North Carolina	3,450	3,350	2,000	2,000	1,850	1,800	1,500	1,450
U.S.	19,487	19,110	12,975	12,655	11,172	10,894	9,377	9,492

ECONOMIST CORNER

Livestock by John Lawrence and Grains by Robert Wisner

Iowa Cooperative Extension Service--Ames

LIVESTOCK

Cattle feeders continue a run of positive returns in early 2003 amid an unexpectedly strong fed cattle market that broke the $80 barrier earlier this year. Early March cash prices were $4-$5 off the recent peak recorded in early February, suggesting the seasonal high may have passed. The nearby April contract is trading near the cash market, suggesting the industry is not expecting any further seasonal rally before the traditional mid-April peak. The late 2002-early 2003 price rally was driven primarily by a reduction in feedlot inventories. Furthermore, preliminary data suggests retail beef demand is improving. The wildcard for beef demand, however, is the fate of the war in Iraq and its impact on consumer sentiment. Look for fed cattle to remain steady through April and begin a seasonal summer decline into the upper 60's by the end of May.

After achieving a dramatic breeding herd liquidation, the pork industry began 2003 poised for higher prices. So far, however, the recovery has been disappointing. Persistently higher-than-unexpected weekly kills have restrained cash hog prices, which languished $5-$8 below last year for most of the first quarter. Reflecting diminished optimism, the nearby April futures contract is down nearly $5 from early January while the June is currently down over $3. The concern appears to be limited to the spring and early summer as the distant fall contract months did not participate in the decline. The outlook still calls for cash prices to surpass break-even levels sometime in May, reaching the summer peak in the $60 range.

GRAIN

Concern about higher fertilizer and energy costs, and irrigation water availability in the Great Plains, appears to have impacted crop planting intentions. Prospective corn planted acreage is about the same nationally as last year and 1.5 million acres less than generally expected by the grain trade. Domestic corn feeding in the December-February quarter (based partly on March 1 grain stocks) was about 4% higher than last year's unusually low level. Higher feed use reflects this year's colder winter and reduced sorghum and barley feeding.

These changes show slightly tighter old-crop corn supplies, a modestly tighter new-crop supply-demand balance, and greater potential responsiveness of corn prices to weather this spring and summer than previously expected. For the coming year, with a trend U.S. yield, the expected August 31, 2004, U.S. corn carryover would be between 1.1 and 1.2 billion bushels, vs. earlier projections of stocks rising to the 1.25 to 1.4 billion bushel level. Stocks at 1.1 to 1.2 billion bushels would have the potential to hold lower the U.S. average corn price 20 to 25 cents from the 2002-03 marketing year average. Lower prices would be about offset by increased government payments.

Intended soybean acreage was 0.7 million acres above average trade expectations, and March 1 stocks were about 1% larger than expected. That news is slightly negative to soybean price prospects for next fall and winter. With a normal U.S. average yield, expected U.S. soybean carryover stocks would be in the low 200 million-bushel range, slightly more comfortable to the grain trade than this season's likely 160 to 170 million bushel carryover.

States from South Dakota and Colorado to Texas showed a prospective decline from last year of 1.1 million acres of corn. The eastern Corn Belt and Minnesota showed prospects for a 0.8 million-acre increase in corn plantings.

Despite a rise in the government wheat loan rate and a decline in the soybean loan rate, North Dakota and Minnesota farmers intend to plant about ½ million acres more soybeans than last year. North Dakota soybean yields normally are about 20% below the national average, so increased acres there have less market impact than if they were in Iowa. Eastern Corn Belt farmers plan to plant grow 0.7 million fewer soybean acres than in 2002.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Mar.[1] 2002	IOWA Feb.[1] 2003	IOWA Mar.[2] 2003	U.S. Feb.[1] 2003	U.S. Mar.[2] 2003
		Dollars				
Corn	Bu.	1.89	2.23	2.20	2.34	2.30
Oats	Bu.	2.20	2.20	2.00	2.09	1.94
Soybeans	Bu.	4.29	5.50	5.50	5.55	5.58
Alfalfa, baled	Ton	89.00	81.00	81.00	96.40	96.20
All hay, baled	Ton	86.00	79.00	78.00	91.80	92.80
All hogs	Cwt.	36.60	34.80	35.40	34.30	35.00
Sows	Cwt.	33.10	26.20	27.10	23.20	24.20
Bar. & Gilts	Cwt.	36.70	35.20	35.60	34.90	35.60
Beef Cattle	Cwt.	68.50	73.80	72.30	74.00	72.20
Cows	Cwt.	41.60	38.00	37.50	38.90	39.80
Strs. & Hfrs.	Cwt.	69.00	74.50	73.00	78.10	76.20
Calves	Cwt.	100.00	89.00	89.30	97.30	96.40
Milk cows[3]	Hd.	--	--	--	--	--
Milk (whls)	Cwt.	12.60	11.70	11.20	11.40	11.00
Sheep	Cwt.	31.70	46.60	--	43.60	--
Lambs	Cwt.	65.00	87.20	--	92.40	--
Eggs (mkt)	Doz.	.473	.364	.440	.466	.518

[1]Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. [2]All prices are mid-month. [3]Prices published January, April, July, and October.

Price Index Summary Table

Prices Received	IOWA Mar. 2002	IOWA Feb. 2003	IOWA Mar.[1] 2003	UNITED STATES Mar. 2002	UNITED STATES Feb. 2003	UNITED STATES Mar.[1] 2003
	1990-92=100[2]					
Prices rec'd.	84	92	92	106	99	99
Crops	81	99	98	117	103	106
Lvstk Prods.	86	84	84	96	95	94
	1910-14=100[3]					
Prices rec'd.	--	--	--	671	628	630
Crops	--	--	--	579	510	522
Lvstk Prods.	--	--	--	733	729	718

[1]Preliminary. [2]1990-92=100 reference replaced 1977=100 in January 1995. [3]Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Mar. 2002	Feb. 2003	Mar. 2003	Mar. 2002	Feb. 2003	Mar. 2003
	1990-92=100			1910-14=100		
Prices paid[1]	123	128	128	1637	1701	1707
Feed	109	119	119	530	579	582
Ratio[2]	86	77	77	41	37	37

[1]Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. [2]Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

Iowa Prospective Plantings, March 1, 2003

Corn: Iowa farmers intend to plant 12.3 million acres of corn for all purposes as of March 1, 2003. This is unchanged from the 12.3 million acres planted in 2002.

Soybeans: Producers intend to plant 10.4 million acres of soybeans in Iowa this year. This is unchanged from the previous year's planted acres.

Oats: Farmers intend to plant 260,000 acres of oats for all purposes. This is 10 percent below the 290,000 acres planted in 2002. Producers intend to harvest 170,000 of these acres for grain.

All Hay: Iowa producers intend to harvest 1.70 million acres of hay, 6 percent above last year's harvested acres. Final acreage harvested for hay is influenced by a number of factors that can result in sizeable changes in the acreage being harvested as the season progresses.

This report is based on the voluntary responses from nearly two thousand Iowa producers. Data collection began February 27, with final interviews completed on March 17. This report provides only a preliminary indication of the acres farmers intend to plant. Actual plantings will depend greatly upon weather, economic conditions and the availability of production inputs at the time producers must make their final planting decisions.

Prospective Plantings, March 1, Iowa and United States

Crop	Iowa 2001	Iowa 2002	Iowa Indicated 2003	Iowa 2003/2002	United States 2001	United States 2002	United States Indicated 2003	United States 2003/2002
	Thousand acres			Percent	Thousand acres			Percent
Corn, all	11,700	12,300	12,300	100	75,752	79,054	79,022	100
Oats	240	290	260	90	4,403	5,005	4,828	96
Soybeans	11,000	10,400	10,400	100	74,075	73,758	73,182	99
Hay, all[1]	1,650	1,600	1,700	106	63,521	64,497	63,552	99
Wheat, all	25	20	20	100	59,597	60,358	61,697	102

[1]Acres for harvest.

Iowa Stocks of Grain, March 1, 2003

Corn stocks in all positions on March 1, 2003 totaled 1.19 billion bushels, down 2 percent from the 1.21 billion bushels on hand March 1 of last year. Of the total stocks, 61 percent were stored on-farm. The December 2002 - February 2003 disappearance totaled 539 million bushels, 30 percent above the 413 million bushels used last year.

Soybeans stored in all positions on March 1, 2003 totaled 286 million bushels, down 5 percent from the 302 million bushels on hand March 1, 2002. Of the total stocks, 56 percent were stored on-farm. Disappearance of soybean stocks for the December 2002 - February 2003 period was 137 million bushels, 4 percent below the 143 million bushels used last year.

Oat stocks stored on the farm on March 1, 2003 totaled 3.40 million bushels, 42 percent above the 2.40 million bushels on hand March 1, 2002. Oat stocks at off-farm facilities totaled 4.90 million bushels.

Stocks of Grain, March 1, Iowa and United States

Position and grain	Iowa Mar. 1 2002	Iowa Mar. 1 2003	Iowa Percent of previous year	United States Mar. 1 2002	United States Mar. 1 2003	United States Percent of previous year
	Thousand bushels		Percent	Thousand bushels		Percent
On-Farm Stocks						
Corn	730,000	720,000	99	3,355,000	2,940,000	88
Soybeans	160,000	160,000	100	687,000	635,500	93
Oats	2,400	3,400	142	40,200	35,000	87
Off-Farm Stocks[1]						
Corn	480,618	465,788	97	2,440,263	2,192,318	90
Soybeans	141,723	126,226	89	648,987	566,308	87
Oats	6,386	4,859	76	53,158	47,438	89
Total Stocks						
Corn	1,210,618	1,185,788	98	5,795,263	5,132,318	89
Soybeans	301,723	286,226	95	1,335,987	1,201,808	90
Oats	8,786	8,259	94	93,358	82,438	88

[1] Includes stocks at interior mills, elevators, terminals, warehouses, and processors.

February Livestock Slaughter

Commercial red meat production in Iowa during February 2003 totaled 485.4 million pounds, up 4 percent from February 2002. Cattle slaughter was 53,100 head compared to 54,000 head for February 2002. The average live weight of cattle slaughtered was 1,288 pounds, down 2 pounds from the same period last year. There were 2.2 million hogs slaughtered in February 2003, up 5 percent from February 2002. The average live weight of hogs slaughtered was 266 pounds, two pounds lower than a year ago. February 2003 contained 20 weekdays (including one holiday) and four Saturdays, while February 2002 contained 20 weekdays (including one holiday) and four Saturdays.

Commercial Red Meat Production: United States[1]

Kind	Feb. 2002	Jan. 2003	Feb. 2003	Feb. 2003 as % of Feb. 2002	Feb. 2003 as % of Jan. 2003	Jan.-Feb. [2] 2002	Jan.-Feb. [2] 2003	Jan.-Feb. [2] 2003 as % of 2002
	- - - - - Million pounds - - - - -			Percent		- - - - Million pounds - - - -		Percent
Beef	1,987	2,292	1,944	98	85	4,319	4,237	98
Veal	14.3	*17.8	15.8	110	89	31.3	33.7	108
Pork	1,482	1,749	1,521	103	87	3,199	3,271	102
Lamb & mutton	17.8	15.9	15.0	84	94	35.5	30.9	87
Total red meat	3,502	4,076	3,497	100	86	7,585	7,572	100

[1]Based on packers' dressed weights and excludes farm slaughter. [2]Accumulated totals and percentages based on unrounded data. *Revised.

February Milk Production

Milk production in Iowa in February totaled 302 million pounds, up 1.7 percent from February 2002. The average number of milk cows, 204 thousand head, was 4,000 head below February 2002. Production per cow averaged 1,480 pounds, fifty pounds higher than production levels one year ago.

February Milk Cows and Milk Production

State	Milk cows[1] 2002	Milk cows[1] 2003	Milk per cow[2] 2002	Milk per cow[2] 2003	Milk production[2] 2002	Milk production[2] 2003	Milk production[2] '03 as % '02
	Thousands		Pounds		Million pounds		Percent
California	1,626	1,686	1,620	1,635	2,634	2,757	4.7
Illinois	115	114	1,440	1,485	166	169	1.8
Iowa	208	204	1,430	1,480	297	302	1.7
Minnesota	495	480	1,385	1,385	686	665	-3.1
Missouri	139	133	1,150	1,150	160	153	-4.4
Wisconsin	1,278	1,265	1,350	1,370	1,725	1,733	0.5
20 State Total[3]	7,744	7,810	1,472	1,485	11,401	11,596	1.7

[1]Includes dry cows. Excludes heifers not yet fresh. [2]Excludes milk sucked by calves. [3]The 20 states are Arizona, California, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, New Mexico, New York, Ohio, Pennsylvania, Texas, Vermont, Virginia, Washington, and Wisconsin.

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