



Agri-News



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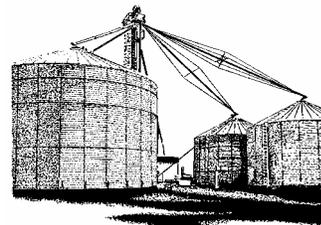
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HIGHLIGHTS

November 1 Crop Production
Economists' Corner & October Prices
Iowa District Estimates & U.S. Supply and Demand
Iowa Objective Yield Data, Corn and Soybeans



Iowa and U.S. Crop Production, November 1

IOWA

Corn: As of November 1, Iowa's 2003 corn for grain yield and production was forecast at 159.0 bushels per acre and 1.91 billion bushels, respectively, both 2 percent more compared to last month. If realized, this would be the third highest corn crop on record, trailing behind the production set in 1994 (1.92 billion bushels) and 2002 (1.96 billion bushels). As of November 2, Iowa producers harvested 91 percent of the corn crop, ahead of last year (74 percent) and the 5-year average (85 percent).

Soybeans: The November 1 yield forecast of 34.0 bushels per acre is unchanged from last month's forecast but down 14 bushels from last year's yield. If realized, soybean production would be 358.7 million bushels, down 28 percent from last year and the lowest production on record since the flood of 1993. As of Sunday, November 2, Iowa soybean harvest was essentially complete, ahead of both last year's progress and the 5-year average.

Reminder: All crop forecasts in this report are based on conditions on November 1 and do not reflect any possible weather effects since that time. End of year corn and soybean production estimates will be released in the Crop Production Annual report on January 12, 2004.

UNITED STATES

Corn production is forecast at 10.3 billion bushels, up 1 percent from last month and 14 percent above 2002. Based on conditions as of November 1, yields are expected to average 143.2 bushels per acre, up 1.0 bushel from October and up 13.2 bushels from last year. If realized, both production and yield would be the largest on record. Both previous records were set in 1994. Of the major producing States, Illinois and Ohio are expecting record yields. Yields are also forecast at record highs in 8 other States located mostly in the Southeast.

Soybean production is forecast at 2.45 billion bushels, down 1 percent from the October forecast and 11 percent below 2002. If realized, this would be the lowest production since 1996. Based on conditions as of November 1, yields are expected to average 33.8 bushels per acre, down 0.2 bushel from October and down 4.2 bushels from 2002. As harvest progressed, producers realized yield decreases from last month in South Dakota, upper Mississippi Valley, Great Lakes, and eastern Corn Belt. However, in Alabama, Arkansas, Kansas, Missouri, the Tennessee Valley, and along the Atlantic Coastal Plains, yield prospects increased from last month. Area for harvest is forecast at 72.5 million acres, unchanged from last month but up fractionally from 2002.

November 1, 2003, Production Summary - Iowa and United States

Crop	For harvest		Yield per acre		Production	
	2002	2003 ¹	2002	2003 ¹	2002	2003 ¹
	Thousand acres		Bushels		Thousand bushels	
IOWA						
Corn for grain	11,900	12,000	165.0	159.0	1,963,500	1,908,000
Soybeans	10,400	10,550	48.0	34.0	499,200	358,700
UNITED STATES						
Corn for grain	69,313	71,765	130.0	143.2	9,007,659	10,277,932
Soybeans	72,437	72,538	38.0	33.8	2,749,340	2,451,759

¹ Preliminary.

ECONOMIST CORNER

Livestock by John Lawrence

and

Grains by Robert Wisner

Iowa Cooperative Extension Service - Ames

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA			U.S.	
		Oct. ¹ 2002	Sep. ¹ 2003	Oct. ² 2003	Sep. ¹ 2003	Oct. ² 2003
----- Dollars -----						
Corn	bu	2.24	2.13	1.95	2.20	2.02
Oats	bu	1.89	1.49	1.50	1.38	1.37
Soybeans	bu	5.20	6.06	7.00	6.06	6.94
Alfalfa, baled	ton	83.00	79.00	81.00	89.00	88.80
All hay baled	ton	82.00	78.00	81.00	84.20	84.40
All hogs	cwt	32.40	38.70	36.20	39.60	37.70
Sows	cwt	20.90	32.50	33.50	30.80	31.10
Bar. & Gilts	cwt	32.60	38.80	36.40	40.10	38.10
Beef Cattle	cwt	62.20	85.90	104.00	85.10	91.60
Cows	cwt	32.40	46.80	52.00	44.90	44.70
Strs & Hfrs	cwt	62.80	86.70	105.00	89.40	97.40
Calves	cwt	81.10	107.00	109.00	109.00	112.00
Milk cows ³	hd	1,390	--	1,450	--	1,370
Milk (whls)	cwt	12.50	15.00	15.20	14.40	14.80
Sheep	cwt	31.00	38.00	--	32.10	--
Lambs	cwt	77.30	87.20	--	94.70	--
Eggs (mkt)	doz	.254	.549	.623	.634	.703

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

Price Index Summary Table

Prices Received	IOWA			UNITED STATES		
	Oct. 2002	Sep. 2003	Oct. ¹ 2003	Oct. 2002	Sep. 2003	Oct. ¹ 2003
1990-92=100 ²						
Prices rec'd.	88	99	118	95	110	113
Crops	97	100	104	101	111	111
Lvstk Prods.	77	98	133	87	110	116
1910-14=100 ³						
Prices rec'd.	--	--	--	606	701	717
Crops	--	--	--	500	545	547
Lvstk Prods.	--	--	--	664	846	887

¹Preliminary. ²1990-92=100 reference replaced 1977=100 in January 1995. ³Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Oct. 2002	Sep. 2003	Oct. 2003	Oct. 2002	Sep. 2003	Oct. 2003
	1990-92=100			1910-14=100		
Prices paid ¹	125	129	130	1666	1711	1725
Feed	116	114	118	566	558	576
Ratio ²	76	85	87	39	44	45

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



LIVESTOCK

Hog slaughter continues to run higher than a year ago and well above expectations. Through the first 5 weeks of the quarter, there were 253,000 more hogs slaughtered than the same period in 2002. Canadian slaughter hogs can account for approximately 105,000 head, and additional Canadian feeder pigs imported in the summer added another 100,000 to the slaughter. However, the USDA September Hogs and Pigs report predicted a 2-3% decrease in slaughter for the fourth quarter. Thus, there are approximately 300,000 more hogs during the 5 weeks than were expected. If this trend continues, prices will struggle to reach the upper \$30s. If we return to the projected slaughter, prices could move to the low \$40s by year end.

Cattle slaughter is well below year earlier levels in the 4th quarter and weights are significantly lower. The record high prices for boxed beef and live cattle may not be fully reflected at the retail counter, but consumers are facing rising beef prices. Thus far, resistance to beef prices has been minimal. The slower chain speed and seasonal trend should result in increasing carcass weights. Higher placements since June should increase the number of market ready cattle in the weeks ahead. Look for a slow increase in beef supplies and declining prices through the end of the year.

GRAIN

Corn exports so far this season are running well above USDA projections and will provide strong support to prices, along with expanded processing of corn into ethanol. Further strength in prices is possible at times this winter with speculation that China may significantly reduce its corn exports. Key indicators to watch include total export sales reported by USDA on Thursdays, and export sales to South Korea. South Korea is the largest market for Chinese corn. If South Korean buyers begin to make large purchases from the U.S., that would indicate China is becoming less aggressive in corn export markets.

With the slightly reduced November crop estimate, U.S. soybean supplies are even tighter than previously indicated. Ending carryover stocks as a percent of annual use next August 31 will almost certainly be the lowest since 1965, and possibly the lowest on record. Soybean and soybean meal export sales will need to slow considerably in the months ahead to prevent the U.S. from making commitments that exceed available supplies. Until export sales slow, prices for beans and meal are likely to remain quite volatile, with further strength possible at times this winter. Prices through at least late winter will be strongly influenced by prospects for South America's spring 2004 harvest, as well as the USDA weekly export sales report. Brazil's soybean yields have been in a remarkably stable upward trend since the early 1990s. Argentine yields have followed a similar pattern for the last half-dozen years.

Iowa District Estimates

Corn, 2002-2003¹ Soybeans, 2002-2003¹

District	Harvested		Yield/acre		Production		Harvested		Yield/acre		Production	
	2002	2003 ²	2002	2003 ³	2002	2003	2002	2003 ²	2002	2003 ³	2002	2003
	Thousand acres		Bushels		Thousand bushels		Thousand acres		Bushels		Thousand bushels	
NW	1,798	1,810	157.4	164.0	283,000	297,000	1,665	1,695	48.7	40.0	81,033	66,985
NC	1,716	1,739	171.9	167.0	295,000	291,000	1,474	1,485	48.1	33.0	70,891	48,540
NE	1,362	1,396	178.4	162.0	243,000	226,000	916	930	51.2	32.0	46,888	30,200
WC	1,787	1,745	159.5	155.0	285,000	270,000	1,620	1,660	48.6	34.0	78,740	56,470
C	1,734	1,765	178.8	167.0	310,000	294,000	1,559	1,555	50.1	35.0	78,133	54,265
EC	1,259	1,295	178.7	172.0	225,000	223,000	979	975	50.1	35.0	49,007	33,820
SW	964	936	125.5	122.0	121,000	114,000	932	970	42.1	27.0	39,205	26,140
SC	460	496	155.4	129.0	71,500	64,000	503	510	44.5	30.0	22,395	15,185
SE	820	818	158.5	158.0	130,000	129,000	752	770	43.8	35.0	32,908	27,095
STATE	11,900	12,000	165.0	159.0	1,963,500	1,908,000	10,400	10,550	48.0	34.0	499,200	358,700

¹ Preliminary. ² Harvest for grain. ³ Yield rounded.

U.S. Corn and Soybean Supply and Demand

CORN	2001/ 2002	2002/ 2003 (Est.)	2003/04 ¹ Projections November	SOYBEANS	2001/ 2002	2002/ 2003 (Est.)	2003/04 ¹ Projections November
	<u>Million bushels</u>				<u>Million bushels</u>		
Beginning stocks	1,899	1,596	1,086	Beginning stocks	248	208	169
Production	9,507	9,008	10,278	Production	2,891	2,749	2,452
Imports	10	14	10	Imports	2	5	8
Supply, total	11,416	10,619	11,374	Supply, total	3,141	2,962	2,629
Feed & Residual	5,861	5,642	5,700	Crushings	1,700	1,615	1,485
Food, seed, & Industrial	2,054	2,298	2,450	Exports	1,064	1,045	890
Domestic, total	7,915	7,940	8,150	Seed	90	90	91
Exports	1,905	1,592	1,875	Residual	79	42	39
Use, total	9,820	9,533	10,025	Use, total	2,933	2,793	2,505
Ending stocks, total	1,596	1,086	1,349	Ending stocks, total	208	169	125
Avg. market price (\$/bu)	1.97	2.32	1.90-2.30	Avg. market price (\$/bu)	4.38	5.53	6.65-7.55

¹ Preliminary.

Coarse Grains: This month's outlook for 2003/04 U.S. feed grains is for larger production, increased use, and slightly smaller ending stocks. Forecast 2003 corn production is up 71 million bushels from last month. Projected corn feed and residual use is unchanged from last month. However, corn exports are up 75 million bushels because of decreased competition from Argentina. Projected corn ending stocks are down 4 million bushels from last month. The projected price range for corn is unchanged at \$1.90 to \$2.30 per bushel.

Global 2003/04 coarse grain supply is little changed while projected use is up from last month. Stocks are projected down from last month. Production is projected to be up nearly 1 million tons due mostly to larger crops in the United States, the EU, and the Former Soviet Union. However, smaller crops are projected in Argentina and Eastern Europe. Global coarse grain use is projected to increase over 2 million tons this month, due primarily to increased use in China, the EU, Ukraine, and Japan. However, use is projected to drop in Eastern Europe. Global coarse grain imports are projected slightly lower than last month. Imports are projected to decline for Russia, Indonesia, and Saudi Arabia, but increase for Japan and Taiwan. Projected global coarse grain stocks are down 2 million tons from last month. Although stocks are up in the EU and Taiwan, stocks are projected to decline in Argentina, South Korea, and Saudi Arabia.

Oilseeds: Projected U.S. oilseed ending stocks for 2003/04 are down slightly this month because of lower production and higher export prospects. U.S. oilseed production, at 76.5 million tons, is down 0.2 million tons as lower soybean production more than offsets larger peanut and cottonseed crops. Soybean production is forecast at 2.45 billion bushels, down 16.6 million bushels based on a lower average yield.

Projected U.S. soybean stocks are reduced to 125 million bushels, the lowest level since 1976/77. Soybean exports are projected at 890 million bushels, up 20 million bushels from last month due to strong early-season shipments, especially to China. Soybean crush is reduced 25 million bushels this month. Soybean meal exports are lowered 0.5 million tons to 4.5 million short tons based in part on increased meal exports from South America and India. Soybean oil ending stocks for 2002/03 are projected at 1.2 billion pounds, down slightly from last month, and the lowest since 1994/95.

The U.S. season-average soybean price range for 2003/04 is projected at \$6.65 to \$7.55 per bushel compared with \$6.05 to \$6.95 last month. Soybean oil prices, at 24.5 to 27.5 cents per pound, are up 1 cent on both ends of the range. Soybean meal prices are projected at \$210 to \$240 per short ton, up 25 dollars on both ends of the range.

Objective Yield Data: Iowa, 1999-2003

Year	Corn for Grain			Soybeans	
	Plant Population	Number of Ears	Average Row Width	Pods with Beans	Average Row Width ²
	<i>Number per Acre</i>		<i>Inches</i>	<i>Number per 18 sq. ft.</i>	<i>Inches</i>
1999	25,900	25,300	32.5	1,878	22.6
2000	26,300	25,650	31.9	1,660	21.9
2001	26,450	25,250	31.6	1,796	22.5
2002	26,700	25,800	31.8	1,867	23.0
2003 ¹	27,250	26,600	31.7	1,647	22.3

¹Preliminary. ²Broadcast soybeans included as "10.0 inches and less" but excluded in computation of average width.

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