



Agri-News



Iowa Agricultural Statistics Service

210 Walnut, Room 833 • Des Moines, Iowa 50309-2195

515-284-4340 • 1-800-772-0825 • FAX 515-284-4342 • nass-ia@nass.usda.gov

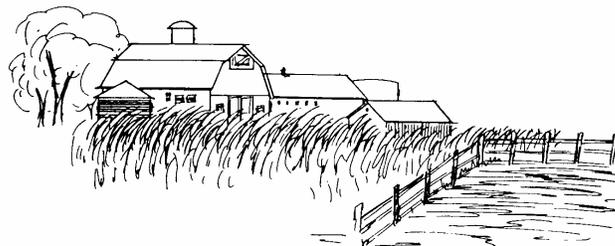
To access NASS reports - <http://www.usda.gov/nass/>

Vol. 04-15

Issued August 4, 2004

HIGHLIGHTS

Cash Farm Income
Economists Corner
Agricultural Prices
Annual Prices
Cash Receipts from Farm Marketings
Crop Progress and Soil Moisture Conditions, Iowa



Cash Farm Income, By Commodities, Iowa

Commodity	Cash farm income ¹			Sources of cash farm income		
	2001	2002	2003	2001	2002	2003
	----- 1,000 dollars -----			----- Percent -----		
Crops						
Corn	2,589,019	3,612,084	3,708,608	24.2	31.7	29.4
Soybeans	1,889,300	2,353,508	2,600,412	17.6	20.7	20.6
Hay	136,842	149,766	117,393	1.3	1.3	0.9
Oats	7,958	10,845	8,597	0.1	0.1	0.1
Wheat	2,554	2,799	3,340	^{2/}	^{2/}	^{2/}
Vegetables	19,396	18,718	22,077	0.2	0.2	0.2
Fruits and nuts	4,112	3,487	3,883	^{2/}	^{2/}	^{2/}
Other crops ⁴	6,011	7,171	7,406	0.1	0.1	0.1
Nursery, greenhouse	92,006	89,159	88,706	0.9	0.8	0.7
Crops total	4,747,198	6,247,537	6,560,423	44.3	54.8	51.9
Livestock and livestock products						
Hogs	3,121,306	2,424,512	2,602,223	29.2	21.3	20.6
Cattle and calves	1,824,202	1,809,823	2,334,551	17.0	15.9	18.5
Sheep and lambs	22,612	23,019	31,277	0.2	0.2	0.2
Dairy products	550,368	455,323	478,592	5.1	4.0	3.8
Chicken eggs	282,458	287,622	460,495	2.6	2.5	3.6
Farm chickens	44	43	36	^{2/}	^{2/}	^{2/}
Other poultry	126,962	114,630	135,362	1.2	1.0	1.1
Other livestock ⁵	30,014	31,016	30,478	0.3	0.3	0.2
Livestock total	5,957,966	5,145,988	6,073,014	55.7	45.2	48.1
<hr/>						
Crops and livestock⁶	10,705,164	11,393,525	12,633,437			
<hr/>						
Government payments³	1,971,677	737,107	1,050,621			
<hr/>						
Grand total⁶	12,676,841	12,130,632	13,684,058			

¹“Cash farm income” relates to the value of quantities of each product sold off the farm. These data show the direct income from crops sold. Income from crops fed to livestock is included as part of livestock income. ² Less than 0.1%. ³ Includes agricultural conservation, price adjustment payments to farmers, and agricultural production and practice payments. ⁴ Includes seeds, mushrooms and other field crops. ⁵ Includes honey, horses, mules, wool, mink pelts and all other livestock.

⁶ Totals may not add due to rounding.

ECONOMIST CORNER

*Livestock by John Lawrence
and*

Grains by Robert Wisner

Iowa Cooperative Extension Service - Ames

LIVESTOCK

The USDA July Cattle report estimated inventories of all major classes of cattle were unchanged to lower than a year ago. The exception is beef replacement heifers that were up 4%. The report indicates that feeder cattle supplies will remain tight into 2006 or beyond as cowherds retain more heifers in order to expand. Fed cattle supplies will remain tight, but fed prices will be impacted by carcass weights and trade decisions with Canada and Japan in the short run. If feedlots delay marketings in anticipation of renewed trade with Japan, supplies will build on heavier weights and the loss of negotiating leverage with packers. Look for late summer prices in the mid-\$80s for fed cattle and low \$90s before the end of the year.

Hog prices continue to defy gravity as prices were 26% higher than 2003 during the first 6-months of the year. These higher prices are in spite of a 3.8% increase in pork production. Larger supplies AND higher prices is the result of increased demand for pork. This demand strength will be needed as we face the potential for large slaughter. We have already set a record for the largest slaughter week in July at more than 1.9 million head. The typically increase in monthly slaughter from July to October is nearly 20%. A 20% increase of the July numbers would put weekly slaughter over 2.17 million head. Look for prices to remain strong as long as demand stays good. Market hogs should average in the mid-upper \$50 through late summer and mid \$40s the remainder of the year.

GRAIN

New-crop corn and soybean prices slipped below major chart support points in late July. The next levels of support appear to be the Chicago equivalent of the loan rates, namely December corn futures at \$2.15-\$2.20 and November soybean futures at \$5.35-\$5.40 per bushel. The corn market has been pressured by widespread expectations of an extremely large U.S. crop, slowing old-crop export shipments, and slow new-crop export sales. Soybean prices have weakened in response to similar developments. Reemergence of Asian Bird Flu in the Pacific Rim and indications that domestic crushings will not have to be curtailed as severely this summer as previously expected also were negative price factors.

Prices for both crops will take direction from weekly weather and crop condition reports, weekly export sales and the August 12 crop report. If trade expectations of a 10.7 to 10.85 billion bushel corn crop and a 3.0 billion bushel U.S. soybean crop are confirmed in the August 12 report, upward price potential may be limited. Two or three good rains across the Midwest in August could push prices for both crops lower. However, until the rains occur, soybean traders may be cautious because of last year's disappointing yields after a dry August.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA			U.S.	
		July ¹ 2003	June ¹ 2004	July ² 2004	June ¹ 2004	July ² 2004
----- Dollars -----						
Corn	bu	2.09	2.77	2.35	2.79	2.42
Oats	bu	1.52	1.80	1.50	1.61	1.50
Soybeans	bu	5.80	9.25	8.05	9.05	8.21
Alfalfa, Baled	ton	74.00	87.00	82.00	102.00	98.40
All Hay, Baled	ton	74.00	86.00	78.00	95.20	90.40
All Hogs	cwt	41.30	58.40	58.40	56.60	56.90
Sows	cwt	34.00	48.10	52.10	46.30	49.10
Brws & Gilts	cwt	41.40	58.60	58.50	57.10	57.30
Beef Cattle	cwt	73.30	86.90	80.10	89.50	87.50
Cows	cwt	44.60	55.70	62.20	53.60	55.90
Strs & Hfrs	cwt	73.90	87.50	80.50	93.50	91.10
Calves	cwt	92.60	120.00	118.00	125.00	128.00
Milk Cows ³	hd	1,330	--	1,700	--	1,720
Milk (whls)	cwt	12.20	18.30	17.00	18.20	16.20
Sheep	cwt	30.60	34.70	--	32.10	--
Lambs	cwt	88.00	104.00	--	105.00	--
Eggs (mkt)	doz	0.48	0.419	0.35	0.496	0.399

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			UNITED STATES		
	July 2003	June 2004	July ¹ 2004	July 2003	June 2004	July ¹ 2004
1990-92=100 ²						
Prices rec'd.	98	132	118	105	128	122
Crops	98	141	122	109	122	116
Lvstk Prods.	98	123	115	101	133	128
1910-14=100 ³						
Prices rec'd.	--	--	--	667	814	776
Crops	--	--	--	539	604	571
Lvstk Prods.	--	--	--	775	1020	980

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

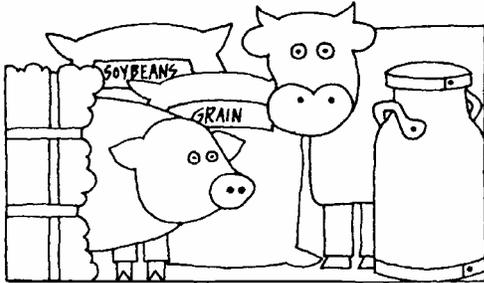
Prices Paid	July 2003	June 2004	July 2004	July 2003	June 2004	July 2004
	1990-92=100			1910-14=100		
Prices paid ¹	127	134	134	1691	1788	1778
Feed	111	126	118	543	616	574
Ratio ²	83	96	91	39	46	44

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.

Annual Agricultural Prices

Iowa's 2003 preliminary market year average prices for soybeans, corn and oats are estimated at \$7.30, \$2.40 and \$1.50 per bushel, respectively. These estimates indicate Iowa growers will receive 32 percent and 8 percent more per bushel for soybeans and corn, respectively, compared to last year. Oats are estimated to be 16 percent lower than last year.

The market year average price Iowa farmers received for all hogs rose 6 percent in 2003 from 2002. The all beef cattle price increased 24 percent to \$81.60 from \$65.80 in 2002.



Market Year Average Prices Received by Farmers for Farm Products

Item	Unit	Iowa		U.S.	
		2002	2003 ¹	2002	2003 ¹
----- Dollars -----					
Corn	bu.	2.22	2.40	2.32	2.45
Oats	bu.	1.78	1.50	1.81	1.48
Soybeans	bu.	5.54	7.30	5.53	7.25
Alfalfa, Baled	ton	85.00	75.00	100.00	98.00
All Hay, Baled	ton	82.00	74.00	92.40	92.90
All Hogs	cwt.	34.20	36.40	33.40	37.20
Sows	cwt.	26.10	30.40	22.80	27.90
Barrows & Gilts	cwt.	34.30	36.50	34.00	37.70
Beef Cattle	cwt.	65.80	81.60	66.50	79.70
Cows	cwt.	36.90	43.40	37.30	42.90
Steers & Heifers	cwt.	66.40	82.40	70.10	84.20
Calves	cwt.	89.10	96.60	96.40	102.00
Milk Cows	hd.	1,500	1,350	1,600	1,340
All Milk	cwt.	12.10	12.80	12.18	12.55
Sheep	cwt.	29.00	34.10	27.90	34.90
Lambs	cwt.	72.10	89.50	73.80	94.40
Eggs (mkt.)	doz.	0.319	0.509	0.412	0.576
Turkeys	lb.	0.36	0.36	0.365	0.360

¹ Preliminary.

Monthly Cash Receipts From Farm Marketings, Iowa

Month and Annual	Crops				Livestock & Products				Total Receipts			
	2002		2003 ¹		2002		2003 ¹		2002		2003 ¹	
	Total Receipts	% of Annual Total	Total Receipts	% of Annual Total	Total Receipts	% of Annual Total	Total Receipts	% of Annual Total	Total Receipts	% of Annual Total	Total Receipts	% of Annual Total
	1,000 \$\$		1,000 \$\$		1,000 \$\$		1,000 \$\$		1,000 \$\$		1,000 \$\$	
Jan.	551,003	8.8	731,967	11.2	418,561	8.1	455,369	7.5	969,564	8.5	1,187,336	9.4
Feb.	345,030	5.5	428,032	6.5	416,567	8.1	484,375	8.0	761,597	6.7	912,407	7.2
Mar.	441,606	7.1	467,461	7.1	399,841	7.8	508,961	8.4	841,447	7.4	976,422	7.7
Apr.	360,139	5.8	577,601	8.8	434,013	8.4	458,688	7.6	794,152	7.0	1,036,290	8.2
May	366,150	5.9	474,535	7.2	398,390	7.7	487,607	8.0	764,541	6.7	962,142	7.6
June	357,424	5.7	408,222	6.2	409,092	7.9	548,373	9.0	766,516	6.7	956,595	7.6
July	508,477	8.1	480,415	7.3	419,516	8.2	426,770	7.0	927,993	8.1	907,186	7.2
Aug.	480,529	7.7	473,656	7.2	440,534	8.6	511,369	8.4	921,063	8.1	985,025	7.8
Sep.	408,942	6.5	336,120	5.1	453,924	8.8	554,374	9.1	862,866	7.6	890,494	7.0
Oct.	1,038,893	16.6	902,649	13.8	431,120	8.4	491,377	8.1	1,470,012	12.9	1,394,026	11.0
Nov.	906,491	14.5	828,326	12.6	471,613	9.2	565,528	9.3	1,378,104	12.1	1,393,854	11.0
Dec.	482,852	7.7	451,201	6.9	452,816	8.8	580,221	9.6	935,668	8.2	1,031,422	8.2
Annual ²	6,247,536	100.0	6,560,185	100.0	5,145,987	100.0	6,073,012	100.0	11,393,523	100.0	12,633,199	100.0

¹ Preliminary. ² May not add due to rounding.



Crop Progress & Soil Moisture Conditions, Iowa

Field Work and Crop Progress as of August 1, 2004

Item	Districts									State	Last Week	Last Year	Normal
	NW	NC	NE	WC	C	EC	SW	SC	SE				
	<i>Percent</i>												
Corn silked	86	89	87	87	91	89	95	92	96	89	73	81	88
Corn in or past milk stage	33	34	31	32	37	40	54	55	64	39	8	26	41
Corn in or past dough stage	3	5	11	11	17	9	15	28	28	12	4	4	10
Soybeans blooming	98	97	93	97	95	90	95	82	91	95	87	87	91
Soybeans setting pods	52	73	72	70	69	56	79	51	67	66	43	46	60
Oats harvested for grain	73	70	68	75	87	80	89	88	92	78	36	77	83
Hay, alfalfa - second crop harvested	95	95	84	91	93	94	93	89	86	90	79	91	88
Hay, alfalfa - third crop harvested	7	4	7	6	8	10	12	4	9	7	NA	6	6

NA=Not available.

Days Suitable & Soil Moisture Condition as of August 1, 2004

Item	Districts									State	Last Week	Last Year
	NW	NC	NE	WC	C	EC	SW	SC	SE			
	<i>Days</i>											
Days suitable	6.1	5.5	5.7	5.8	5.1	5.5	4.7	5.6	6.2	5.6	5.0	6.4
	<i>Percent</i>											
Topsoil moisture												
Very short	2	1	0	6	0	2	0	0	5	2	1	11
Short	16	11	6	23	7	23	1	7	20	13	7	30
Adequate	79	78	86	68	80	74	87	88	72	79	82	57
Surplus	3	10	8	3	13	1	12	5	3	6	10	3
Subsoil moisture												
Very short	0	2	0	2	1	4	0	0	5	2	0	8
Short	11	9	5	18	6	12	1	6	19	10	7	26
Adequate	87	77	80	77	85	84	90	89	74	82	82	62
Surplus	2	12	15	3	8	2	9	5	2	6	11	4

Source: Iowa Crops & Weather release for the week ending August 1, 2004.

**PERIODICALS POSTAGE PAID
AT DES MOINES, IOWA 50309
and Additional Mailing Offices**

NEWSPAPER TIME VALUE

AgriNews (ISSN 0744-5598) is published semi-monthly except monthly in March and three issues per month in July, August and October by Iowa Agricultural Statistics, Room 833, 210 Walnut St., Des Moines, IA 50309. Subscription is free to data reporters upon request and available for \$11 per year to non-reporters. Periodicals postage paid at Des Moines, IA 50309, and additional mailing offices. Postmaster: send address changes to AgriNews, c/o South Dakota Agricultural Statistics, PO Box 5068, Sioux Falls, SD 57117-5068.