



Agri-News



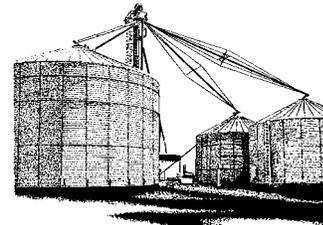
Iowa Agricultural Statistics Service
 210 Walnut, Room 833 • Des Moines, Iowa 50309-2195
 515-284-4340 • 1-800-772-0825 • FAX 515-284-4342 • nass-ia@nass.usda.gov
 To access NASS reports - <http://www.usda.gov/nass/>

Vol. 04-23

Issued November 16, 2004

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 2004 corn for grain yield and production was forecast at 183.0 bushels per acre and 2.25 billion bushels, respectively, both 2 percent more compared to last month. If realized, this would be the highest corn crop on record, 15 percent more the previous high set in 2002 (1.96 billion bushels). As of October 31, Iowa producers harvested 62 percent of the corn crop, behind last year (87 percent) and the 5-year average (82 percent).

Soybeans: The November 1 soybean yield forecast of 49.0 bushels per acre is up 2 bushels from last month's forecast and up 16.5 bushels from last year's yield. If realized, soybean production would be 497.4 million bushels, up 45 percent from last year and the second largest soybean crop on record, falling slightly behind 2002's record production of 499.2 million bushels. As of October 31, Iowa soybean harvest was essentially complete.

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, 2005.

UNITED STATES

Corn production is forecast at 11.7 billion bushels, up 1 percent from last month and 16 percent above 2003. Based on conditions as of November 1, the yield is expected to average 160.2 bushels per acre, up 1.8 bushels from October and 18.0 bushels above last year. If realized, both production and yield would be the largest on record. The previous records for both were set last year when production was estimated at 10.1 billion bushels and yield was 142.2 bushels per acre. Across the U.S., yields are forecast at record high levels in 19 of the 33 published corn States. With the exception of Wisconsin, yields in the Corn Belt States are forecast at record highs as weather conditions have been mostly favorable throughout the growing season.

Soybean production is forecast at 3.15 billion bushels, up 1 percent from October and 28 percent above 2003. If realized, this would be the largest U.S. soybean crop on record. Based on November 1 conditions, yields are expected to average a record high 42.6 bushels per acre, up 0.6 bushel from October and 8.7 bushels above last year. Producers in the Corn Belt, Michigan, Pennsylvania, Maryland, and the Carolinas are realizing higher yields than expected last month, while yield prospects decreased as harvest progressed in North Dakota and Minnesota. Area for harvest in the U.S. is forecast at 74.0 million acres, unchanged from last month but up 2 percent from 2003.

November 1, 2004, Production Summary - Iowa and United States

Crop	For harvest		Yield per acre		Production	
	2003	2004 ¹	2003	2004 ¹	2003	2004 ¹
	Thousand acres		Bushels		Thousand bushels	
IOWA						
Corn for grain	12,000	12,300	157.0	183.0	1,884,000	2,250,900
Soybeans	10,550	10,150	32.5	49.0	342,875	497,350
UNITED STATES						
Corn for grain	71,139	73,311	142.2	160.2	10,113,887	11,740,920
Soybeans	72,476	73,990	33.9	42.6	2,453,665	3,150,441

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 2003	Sep. ¹ 2004	Oct. ² 2004	Sep. ¹ 2004	Oct. ² 2004
----- Dollars -----						
Corn	bu	2.05	2.13	1.75	2.20	1.89
Oats	bu	1.76	1.41	1.50	1.44	1.37
Soybeans	bu	6.62	5.96	5.10	5.84	5.07
Alfalfa, Baled	ton	81.00	85.00	84.00	97.40	97.80
All Hay, Baled	ton	81.00	84.00	83.00	89.80	89.80
All Hogs	cwt	34.80	57.20	51.40	54.80	51.40
Sows	cwt	33.70	43.50	42.80	42.20	42.10
Brws & Gilts	cwt	34.90	57.30	52.10	55.40	52.10
Beef Cattle	cwt	96.80	86.00	87.00	85.80	86.40
Cows	cwt	47.20	52.70	48.50	53.10	50.40
Strs & Hfrs	cwt	97.80	86.70	87.80	89.30	91.10
Calves	cwt	103.00	125.00	128.00	129.00	127.00
Milk Cows ³	hd	1,450	--	1,610	--	1,640
Milk (whls)	cwt	15.60	16.00	16.40	15.40	15.50
Sheep	cwt	38.00	46.00	--	41.80	--
Lambs	cwt	87.40	90.00	--	101.00	--
Eggs (mkt)	doz	0.62	0.30	0.26	0.35	0.30

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.

LIVESTOCK

The cattle market continues to struggle with record carcass weights and higher cattle on feed inventories and the challenge will likely continue. Feedlots are losing money and are facing rising breakevens on cattle to be sold in the weeks ahead. Seasonally, stronger prices are expected, but they have been slow to develop. In the meantime, cheap corn and expensive feeder cattle are encouraging longer feeding of cattle, extending the backlog. Look for fed cattle to mover higher between now and the end of the year, but probably not as high as breakeven. Feeder cattle prices may begin to weaken as corn prices stabilize and begin to increase and feedlot losses mount.

Hog prices typically weaken through Thanksgiving, a short kill week with large slaughter. This year has defied gravity most of the summer and early fall. The fourth quarter marks the fifth consecutive quarter of higher production and higher prices. Price strength has continued into mid November. Look for stable to weaker prices this fall, but rising prices into the first and second quarter of 2005. The effect of duties on Canadian hogs is not fully known, but little short term change is anticipated given that the slaughter and feeding infrastructure is already in place.

GRAIN

The huge U.S. crop and sharply increased production in eastern and western Europe and former Soviet republics will be dominant influences on corn prices this winter. Soybean prices will become more volatile with the discovery of Asian soybean rust in Louisiana. From now through mid-February, South American crop prospects also will be a major potential influence on prices. But the large U.S. crop will temper price strength. Carryover stocks of both corn and soybeans are expected to rise sharply next August 31, with soybean stocks projected at approximately four times the year earlier level, and corn stocks approximately twice as large as on August 31, 2004. Combined U.S. total supplies of corn and soybeans are about 8% larger than in the fall of 2000, a year when a considerable amount of corn was piled outside because of lack of storage space. In some of Iowa and other states, elevators have extremely large piles of corn stored outside. During the next 6 to 8 weeks, while the grain industry uses up these supplies, cash corn prices and the basis are likely to remain weak. Soybean prices may strengthen modestly during this period, due partly to limited farmer marketings as producers store soybeans into next year for tax management purposes.

Soybean prices will be somewhat responsive to any indication of widespread planting delays or other weather and crop development problems in Brazil and Argentina from now through mid-February. Crops in both countries are projected to recover sharply from last year's low yields. World soybean production for the 2004-05 marketing year is projected to be up 21% from last year. A sharp increase in production of some competing oilseeds also will tend to temper price strength this winter. Distant soybean futures contracts may become more volatile as the grain trade considers possible implications of the discovery of Asian soybean rust in Louisiana last week.

Corn export sales through early November lagged moderately behind levels needed to attain official export projections. Weekly corn export sales should consistently be in the 1.3 to 1.5 million ton per week range for the next few months to reach current projections. Soybean export sales, while down sharply from last year, are near those of other years when season total exports were near current projections.

Price Index Summary Table

Prices Received	IOWA			UNITED STATES		
	Oct. 2003	Sep. 2004	Oct. ¹ 2004	Oct. 2003	Sep. 2004	Oct. ¹ 2004
1990-92=100 ²						
Prices rec'd.	102	109	100	113	115	111
Crops	104	100	84	111	112	106
Lvstk Prods.	99	117	115	116	118	117
1910-14=100 ³						
Prices rec'd.	--	--	--	718	731	705
Crops	--	--	--	548	553	523
Lvstk Prods.	--	--	--	886	907	901

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. 2003	Sep. 2004	Oct. 2004	Oct. 2003	Sep. 2004	Oct. 2004
	1990-92=100			1910-14=100		
Prices paid ¹	129	134	134	1719	1780	1782
Feed	112	110	106	545	536	517
Ratio ²	88	86	83	42	41	40

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.



Iowa District Estimates

Corn, 2003-2004¹ Soybeans, 2003-2004¹

District	Harvested		Yield/acre		Production		Harvested		Yield/acre		Production	
	2003	2004 ²	2003	2004 ³	2003	2004	2003	2004 ²	2003	2004 ³	2003	2004
	Thousand acres		Bushels		Thousand bushels		Thousand acres		Bushels		Thousand bushels	
NW	1,804	1,844	163.5	191.0	295,000	352,225	1,704	1,630	36.6	48.0	62,388	78,850
NC	1,717	1,773	164.2	182.0	282,000	322,700	1,480	1,400	31.7	45.0	46,913	63,500
NE	1,393	1,435	153.6	180.0	214,000	258,300	927	885	27.2	48.0	25,174	42,850
WC	1,742	1,810	152.1	180.0	265,000	325,800	1,655	1,595	33.7	48.0	55,742	77,200
C	1,774	1,794	168.0	192.0	298,000	344,450	1,550	1,505	33.4	51.0	51,739	77,400
EC	1,268	1,300	168.8	184.0	214,000	239,200	975	940	32.4	48.0	31,581	45,450
SW	965	989	128.5	171.0	124,000	169,125	976	940	29.9	51.0	29,206	48,000
SC	485	502	127.8	167.0	62,000	83,850	510	495	27.5	46.0	14,001	22,900
SE	852	853	152.6	182.0	130,000	155,250	773	760	33.8	54.0	26,131	41,200
STATE	12,000	12,300	157.0	183.0	1,884,000	2,250,900	10,550	10,150	32.5	49.0	342,875	497,350

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

U.S. Corn and Soybean Supply and Demand

CORN	2002/ 2003	2003/ 2004 (Est.)	2004/05 ¹ Projections November	SOYBEANS	2002/ 2003	2003/ 2004 (Est.)	2004/05 ¹ Projections November
	Million bushels				Million bushels		
Beginning stocks	1,596	1,087	958	Beginning stocks	208	178	112
Production	8,967	10,114	11,741	Production	2,756	2,454	3,150
Imports	14	14	15	Imports	5	6	6
Supply, total	10,578	11,215	12,714	Supply, total	2,969	2,638	3,269
Feed & Residual	5,563	5,783	6,075	Crushings	1,615	1,530	1,645
Food, Seed, & Industrial	2,340	2,577	2,770	Exports	1,044	885	1,010
Domestic, total	7,903	8,360	8,845	Seed	89	92	89
Exports	1,588	1,897	2,050	Residual	41	19	64
Use, total	9,491	10,257	10,895	Use, total	2,791	2,525	2,808
Ending stocks, total	1,087	958	1,819	Ending stocks, total	178	112	460
Avg. market price (\$/bu)	2.32	2.42	1.70-2.10	Avg. market price (\$/bu)	5.53	7.34	4.55-5.35

¹ Preliminary.

Coarse Grains: Further increases are projected this month for 2004/05 U.S. feed grain production and ending stocks. Forecast corn production, a record 11.741 billion bushels, is up 128 million bushels from last month. Due to revisions in harvested area, barley and oat production are both down 1 million bushels. Projected feed and residual use of corn, sorghum, and barley are up from last month. Corn and grain sorghum exports are each reduced 25 million bushels due to the slow pace of export sales to date and lower projected imports by Mexico, South Korea, and several other major markets. No change is made to industrial use of corn. Relative to last month, projected ending stocks of corn are up 128 million bushels and sorghum stocks are up 20 million bushels. The projected price range is down 5 cents on each end from last month for corn to \$1.70 to \$2.10 per bushel.

Global 2004/05 coarse grain supply, use, and stocks projections are up from last month. Global production is raised to a record 985 million tons, up 8 million tons from last month and 9 percent larger than 2003/04. Relative to last month, larger crops are projected for China (up 4 million tons), the United States (up 3.5 million tons), and the EU-25 (up nearly 1 million tons). Crop reductions are noted for Brazil (down 0.5 million tons), Australia (down 0.4 million tons), and Bolivia (down 0.3 million tons). Production changes are projected for a number of other countries. Global consumption is raised slightly but global trade is down slightly from last month. Reduced imports are projected for Mexico, South Korea, Egypt, Turkey, the Philippines, Japan, and Brazil. Larger imports by Peru, Iran, Indonesia, and other countries are partially offsetting. Smaller exports are projected for the United States, Australia, and Indonesia but larger exports are projected for the EU-25. Global coarse grain stocks rise 8 million tons from last month and are up 21 million tons from last year. China's stocks

increase 4.1 million tons due primarily to the larger corn crop. Ending stocks also rise for the United States, with smaller increases projected for South Africa, South Korea, Russia, Ukraine, and other countries. Notable declines in stocks are projected for Mexico, Brazil, and Australia, with smaller reductions forecast for other countries.

Oilseeds: U.S. oilseed ending stocks for 2004/05 are projected at 13.8 million tons, up 1.6 million tons from last month due to increased soybean and cottonseed production. U.S. total oilseed production is projected at 96.8 million tons, up 1.6 million tons from last month. Soybean production is forecast at a record 3,150 million bushels, up 43 million bushels from last month based on a record soybean yield of 42.6 bushels per acre.

Projected soybean exports are reduced 15 million bushels, mainly reflecting lower import demand in China. Higher freight rates are expected to moderate stock accumulation by crushers in China. Soybean ending stocks are projected at 460 million bushels, which would be the highest level since 1985/86. Soybean oil use is increased this month reflecting the impact of new tax incentives for biodiesel production.

The U.S. season-average soybean price for 2004/05 is projected at \$4.55 to \$5.35 per bushel, down 15 cents on both ends of the range. The soybean meal price is projected at \$145 to \$175 per short ton, down 5 dollars on both ends of the range. The soybean oil price is projected at 21.5 to 24.5 cents per pound, unchanged from last month.

Global oilseed production for 2004/05 is projected at a record 388.5 million tons, up 2.7 million tons from last month. Foreign oilseed production is increased 1.1 million tons, primarily due to higher rapeseed, sunflower seed, and cottonseed production.

Objective Yield Data: Iowa, 2000-2004

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>
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	27,250	26,600	31.7	1,647	22.3
2004 ¹	27,850	27,500	31.4	1,737	21.3

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

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

NEWSPAPER TIME VALUE

Agri-News (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 Agri-News, c/o South Dakota Agricultural Statistics, PO Box 5068, Sioux Falls, SD 57117-5068.