

# KENTUCKY AGRI-NEWS



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**FEATURING :**   ★ Crop Production   ★ Dairy Products   ★ Value Added   ★ Tobacco Outlook

## NOVEMBER CROP PRODUCTION

### U.S. HIGHLIGHTS

**Corn production** was forecast at 9.00 billion bushels, up slightly from last month but down 5 percent from 2001. If realized, production would be at the lowest level since 1995.

**Corn yields** were expected to average 127.6 bushels per acre, up 0.4 bushel from October but down 10.6 bushels from last year.

**Soybean production** was forecast at 2.69 billion bushels, up 1 percent from October but 7 percent below 2001. If realized, this would be the lowest production since 1999.

**Soybean yields** were expected to average 37.5 bushels per acre, up 0.5 bushel from last month but down 2.1 bushels from last year.

and may have been beneficial to late tobacco and late maturing second crop soybeans.

**Corn for grain** production was forecast at 107.1 million bushels, unchanged from the October estimate while down 31 percent from the previous year. Yield remained unchanged at 101 bushels per acre, down 41 bushels from the large 2001 crop. Weather was generally favorable for corn harvest this fall and was 96 percent complete as of November 3. Farmers in some areas of Kentucky report the harvested crop as good to excellent in quality and yield while others report poor to fair yields.

**Soybean** production was forecast at 39.9 million bushels, up 6 percent from the previous forecast. Yield at 33 bushels per acre was up 2 bushels from the October 1 forecast. The 2001 yield was a record high 40 bushels per acre. As of November 3, 61 percent of the crop had been harvested, down from 82 percent for last year and 80 percent for the 5 year average. Harvesting this fall has been slowed by wet weather that has delayed natural drying of the crop. September rains and a long growing season, and no frost until November 2, may have helped to fill pods on late season beans. The State's soybean yield like corn varied based on locality and rainfall received.

### KENTUCKY

Dry field conditions and hot temperatures limited crop yields in many areas of Kentucky. Even with the dry summer, some areas of the State received timely rains and had good yields. The September rains were too late for most crops but helped to improve the moisture level in the soil

## CROP PRODUCTION

CROP SUMMARY, NOVEMBER 1 KENTUCKY AND UNITED STATES, 2001 - 2002

CROPS	UNIT	ACREAGE HARVESTED		YIELD PER ACRE		PRODUCTION		
		2001	2002	2001	2002	2001	2002	
			Indicated		Indicated		Indicated	% of '01
		(Thousand)				(Thousand)		
<b>KENTUCKY</b>								
Corn for Grain	Bu.	1,100	1,060	142.0	101.0	156,200	107,060	69
Soybeans for Beans	Bu.	1,220	1,220	40.0	33.0	48,800	39,930	82
<b>UNITED STATES</b>								
Corn for Grain	Bu.	68,808	70,541	138.2	127.6	9,506,840	9,003,364	95
Soybeans for Beans	Bu.	72,975	71,799	39.6	37.5	2,890,682	2,689,691	93

## U. S. DAIRY PRODUCTS, SEPTEMBER 2002

PRODUCT	September 2001	August 2002 <u>1/</u>	September 20012	Percent of Sept Aug 2001 2002	
(000) Pounds					
<b>BUTTER</b>	86,721	88,512	92,166	106	104
(000) Gallons					
<b>CHEESE</b>					
American Types <u>2/</u>	277,046	305,826	286,822	104	94
Mozzarella	212,654	212,876	207,573	98	98
All Other Types <u>3/</u>	152,085	168,717	163,590	108	97
Total	641,785	687,419	657,985	103	96
(000) Gallons					
<b>FROZEN PRODUCTS</b>					
Ice Cream (Hard)	70,197	78,039	70,323	100	90
Frozen Yogurt (Total)	5,895	7,031	6,620	112	94
(000) Gallons					
<b>MIX FOR FROZEN PRODUCTS</b>					
Ice Cream Mix	39,548	45,982	42,705	108	93
Yogurt Mix	3,154	4,136	3,894	123	94

1/ Revised. 2/ Includes Cheddar, Colby, Monterey, and Jack. 3/ Includes Swiss, cream and all other types. Excludes cottage cheese.

## KENTUCKY CROPS RANKED BY 2001 VALUE OF PRODUCTION

RANK	COMMODITY & UNIT	2000 CROP YEAR <u>1/</u>		2001 CROP YEAR		CHANGE IN VALUE
		Price Per Unit	Total Value	Price Per Unit	Total Value	
		(Dollars)	(1,000 Dollars)	(Dollars)	(1,000 Dollars)	(01 as % of 00)
1.	Tobacco, All, lb.	1.983	561,388	1.985	505,436	90
2.	Hay, All, baled, ton	81.50	509,783	70.50	390,923	77
3.	Corn (for grain), bu.	2.07	330,993	1.90	296,780	90
4.	Soybeans (beans), bu.	4.71	213,080	4.40	214,720	101
5.	Wheat, All, bu.	2.26	54,104	2.55	60,588	112
6.	Commercial Apples, lb.	.249	1,396	.291	2,152	154
7.	Sorghum (grain), bu.	1.94	1,484	1.99	1,692	114
8.	Barley, bu.	1.44	864	1.40	952	110
9.	Peaches, lb.	.346	381	.487	877	230
	<b>TOTAL</b>		1,673,473		1,474,120	88

1/Revised.

**VALUE ADDED TO THE KENTUCKY ECONOMY  
BY THE AGRICULTURAL SECTOR VIA THE PRODUCTION  
OF GOODS AND SERVICES, 1998 - 2001 <sup>1/</sup>**

Item	1998 <sup>2/</sup>	1999 <sup>2/</sup>	2000 <sup>2/</sup>	2001
			(000 Dollars)	
Value of crop production	1,538,119	1,089,108	1,474,120	1,208,496
Food grains	63,802	57,774	56,955	63,657
Feed crops	291,525	276,367	317,055	356,966
Cotton	0	0	0	0
Oil crops	236,586	151,006	147,046	209,161
Tobacco	924,086	737,048	674,469	566,276
Fruits and tree nuts	4,080	3,916	4,166	5,180
Vegetables	9,220	8,760	12,000	14,000
All other crops	70,795	64,116	65,236	65,555
Home consumption	6,278	6,419	6,278	6,207
Value of inventory adjustment <sup>3/</sup>	(68,253)	(216,298)	190,915	(78,506)
Value of livestock production	2,149,466	2,164,546	2,400,841	2,303,267
Meat animals	702,889	633,136	630,469	594,103
Dairy products	259,005	249,172	229,080	263,736
Poultry and eggs	415,009	448,309	467,355	603,865
Miscellaneous livestock	792,995	924,274	1,045,267	805,829
Home consumption	12,674	12,693	11,513	11,654
Value of inventory adjustment <sup>3/</sup>	(33,106)	(103,038)	17,157	24,080
Revenues from services and forestry	571,223	709,087	728,826	694,877
Machine hire and customwork	24,146	19,495	24,174	20,852
Forest products sold	163,780	171,780	180,780	170,780
Other farm income	106,123	236,079	216,957	200,206
Gross imputed rental value of farm dwellings	277,174	281,733	306,915	303,039
Value of agricultural sector production	4,258,808	3,962,741	4,603,787	4,206,640
(less) Purchased inputs	1,896,905	1,862,916	1,857,305	1,796,599
Farm origin	646,183	579,198	578,374	582,575
Feed purchased	363,772	366,402	352,333	357,695
Livestock and poultry purchased	193,338	116,501	132,153	126,116
Seed purchased	89,073	96,295	93,888	98,702
Manufactured inputs	447,677	445,250	438,458	431,272
Fertilizers and lime	226,123	219,130	200,350	195,417
Pesticides	92,584	97,356	87,812	89,720
Petroleum fuel and oils	97,705	99,248	121,495	112,854
Electricity	31,265	29,516	28,801	33,281
Other purchased inputs	803,045	838,468	840,473	782,752
Repair and maintenance of capital items	200,197	197,646	206,379	195,626
Machine hire and customwork	50,977	54,220	48,240	38,474
Marketing, storage, and transportation	156,032	149,188	116,728	118,741
Contract labor	47,879	56,173	74,589	45,332
Miscellaneous expenses	347,960	381,241	394,537	384,579
(plus) Net government transactions	52,473	150,735	363,452	206,175
+ Direct Government payments	140,474	232,109	448,473	293,379
- Motor vehicle registration and licensing fees	11,823	9,874	10,500	10,669
- Property taxes	76,178	71,500	74,521	76,535
Gross value added	2,414,376	2,250,560	3,109,934	2,616,216
(less) Capital consumption		592,924	604,090	612,962,621,460
Net value added	1,821,452	1,646,470	2,496,972	1,994,756
(less) Payments to stakeholders	703,109	744,523	765,561	765,061
Employee compensation (total hired labor)	196,325	199,925	178,874	217,463
Net rent received by nonoperator landlords	260,471	293,470	315,121	282,346
Real estate and nonreal estate interest	246,313	251,128	271,566	265,252
Net farm income	1,118,342	901,947	1,731,412	1,229,695

<sup>1/</sup>Final sector output is the gross value of the commodities and services produced within a year. Net value-added is the sector's contribution to the National economy and is the sum of the income from production earned by all factors-of-production. Net farm income is the farm operator's share of income from the sector's production activities. The concept presented is consistent with that employed by the Organization for Economic Cooperation and Development. <sup>2/</sup>Revised. <sup>3/</sup>A positive value of inventory change represents current-year production not sold by December 31. A negative value is an offset to production from prior years included in current-year sales. Negative numbers are shown in parenthesis. Source: Economic Research Service/USDA.

## BURLEY TOBACCO OUTLOOK

Burley tobacco producer marketings in the 2001 crop year (October 2001 through September 2002) totaled 343.7 million pounds, compared with 315.4 million pounds during the 2000-01 crop year. For the first time, contract sales exceeded auction sales. Contract sales was 224.8 million pounds compared with 87.5 million pounds in 2000. Contract sales, held at 32 contract centers in 22 markets returned \$199.00 per hundred pounds. Last years contract price averaged \$198.41 per hundred pounds. Auction prices in 2001 averaged \$194.64 per hundred pounds, down from 2000's record \$195.47. Loan takings in 2001 totaled 12.4 million pounds, or 11 percent of net sales. Lower production combined with lower expected beginning stocks in October 2002 are expected to result in supplies of 900 million pounds, 13 percent below the previous season's 1,034 million pounds. Stocks are expected to be 600

million pounds compared with 691 million in 2001 and marketings should be close to 300 million pounds. Burley tobacco use in 2001-02 will likely be the same as the previous season. Disappearance for the season is projected at 434 million pounds. As of September 1, burley production in 2002 is estimated at 304.9 million pounds compared with actual production of 334.1 million pounds last season. Marketings this year could reach 300 million pounds, including carryover tobacco, resulting in estimated supplies of 900 million pounds, 13 percent below 2001. Available tobacco in 2002 (including on-farm carryover) are expected to be about 350 million pounds. The effective quota is only 344 million pounds, so marketings are limited to about 354 million pounds. However, burley is usually undermarketed by about 15-20 percent so actual marketings are expected to be about 300 million pounds.

## FIRE-CURED OUTLOOK (TYPE 21-23)

Fire-cured tobacco (types 21-23) is mainly used in making snuff, plug chewing tobacco, and twist chewing tobacco. About half the crop is exported. Production of fire-cured leaf in 2001-02 was 45.3 million pounds, 6.4 million pounds below the previous season. In 2002-03, the September 1 production forecast is 32.1 million pounds, 13.2 million pounds below 2001-02. Kentucky-Tennessee fire-cured leaf production as of September 1, is estimated at 30.9 million pounds compared

with 43.1 million pounds in 2001. Strong demand for fire-cured in export markets has boosted disappearance during recent seasons. Total exports are expected to reach 15 million pounds compared with 26 million pounds last season. Total fire-cured disappearance for the first 9 months of the 2001-02 marketing year totaled 29.9 million pounds compared with 32.6 million pounds last year. For the entire marketing year, disappearance is expected to exceed 40 million pounds, but remain lower than 2000.

## DARK AIR-CURED OUTLOOK (TYPE 35-37)

Dark air-cured tobacco (types 35-37) is used in plug and twist chewing tobacco, snuff, and to some extent, smoking tobacco. Production and use have declined by more than half over the last two decades. Exports usually account for 10 to 20 percent of total use. The marketing year for dark air-cured tobacco is on an October-September basis. Lower acreage and depressed yields will result in reduced air-cured production in 2002. The September 1 forecast of 9.5 million pounds is nearly 5 million pounds below 2001. Acreage is projected at 3,960 acres,

compared with 5,070 acres last season, and yields are 2,389 pounds per acre, down from 2,782 pounds. Supplies at the beginning of 2002 (October 1, 2002) are expected to be 48.0 million pounds, compared with 49.0 million pounds in 2001. Air-cured disappearance for the first 9 months of the marketing year (October 2001-June 2002) slipped 25 percent to 5.5 million pounds compared with 7.7 million pounds last season. Total disappearance during the crop year is expected to be near last year's level.

**Internet Access:** Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at <http://www.usda.gov/nass/>

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