



AGRI-VIEW

National
Agricultural
Statistics
Service

In Cooperation with the Minnesota Department of Agriculture

Minnesota Field Office · 8 E. 4th. Street, Suite 500 · St. Paul, MN 55101 · (651) 296-2230 · www.nass.usda.gov

ISSUE AV-02-07

RELEASED
JANUARY 25, 2007

IN THIS ISSUE:

DECEMBER
CROP/STOCKS

JANUARY
POTATO STOCKS

ANALYSIS OF
GRAIN STOCKS
REPORT

DECEMBER
MILK PRODUCTION

TURKEYS



USDA, NASS
Minnesota Field Office
8 E. 4th St. Suite 500
St. Paul, MN 55101
Phone (651) 296-2230
in cooperation with the
Minnesota Department of
Agriculture

2006 SOYBEAN AND SUGARBEET PRODUCTION SET NEW RECORD HIGHS

Minnesota **SOYBEAN** production is estimated at a record high 319 million bushels, up 2 percent from the November 1 forecast and up 4 percent from last year, according to the USDA, NASS, Minnesota Field Office. The final yield is estimated at 44 bushels per acre, down 1 bushel from the record high set in 2005. Soybean harvested acres, at 7.25 million acres, are up 450,000 acres from last year.

CORN production, estimated at 1.10 billion bushels, is down 2 percent from the November 1 forecast and down 7 percent from the record production in 2005. The estimated yield is 161.0 bushels per acre, down 13 bushels from the record high yield set in 2005. Corn for grain harvested acres, at 6.85 million acres, is unchanged from a year ago.

SPRING WHEAT production is estimated at 77.6 million bushels, up 9 percent from last year. Acres harvested for grain are 1.65 million acres, down 80,000 acres from last year. The estimated yield at 47 bushels per acre is up 6 bushels from last year.

The **SUGARBEET** production of 11.9 million tons set a new record high and is up 27 percent from last year's production of 9.38 million tons. Yield is estimated at 24.9 tons per acre, likewise a new record high, and is up 4.5 tons per acre from last year. Sugarbeet harvested acres are 477,000 acres, up 17,000 from last year.

ALL ALFALFA FORAGE production of 5.5 million tons is down slightly from last year. Yield is estimated at 3.64 tons per acre, up from 3.59 tons per acre last year. Forage harvested acres are 1.5 million acres, down 25,000 acres from last year.

MINNESOTA SOYBEAN STOCKS SET RECORD HIGH

Results from the Minnesota December 1, 2006, Grain Stocks Survey estimated **SOYBEAN** stocks in all positions at a new record high of 312 million bushels, up 16 percent from the previous December record set last year. On-farm stocks, at 205 million bushels, are up 21 percent from a year ago and account for 66 percent of the total.

CORN stored in all positions is 1.06 billion bushels, down 11 percent from December 2005. This is the second highest stocks level behind last December's record high of 1.19 billion bushels. On-farm stocks, at 780 million bushels, are down 13 percent and account for nearly 74 percent of the total.

ALL WHEAT stocks in all positions total 60.6 million bushels, 4 percent below a year ago. On-farm stocks account for 66 percent of the total or 40.0 million bushels.

BARLEY stocks in all positions are down 34 percent from a year ago. Total stocks are 14.5 million bushels, with 21 percent stored on farms.

OAT stocks in all positions total 22.9 million bushels, 32 percent above a year ago. On-farm stocks account for 29 percent of the total.

U.S. GRAIN STOCKS

CORN stored in all positions on December 1, 2006, totaled 8.93 billion bushels, down 9 percent from December 1, 2005. Of the total stocks, 5.63 billion bushels are stored on farms, down 11 percent from a year earlier. Off-farm stocks, at 3.30 billion bushels, are down 5 percent from a year ago. The September - November 2006 indicated disappearance is 3.57 billion bushels, compared with 3.41 billion bushels during the same period last year.

SOYBEANS stored in all positions on December 1, 2006, totaled 2.70 billion bushels, up 8 percent from December 1, 2005. Soybean stocks stored on farms totaled 1.46 billion bushels, up 9 percent from a year ago. Off-farm stocks, at 1.24 billion bushels, are up 7 percent from last December. Indicated disappearance for September - November 2006 totaled 940 million bushels, up 15 percent from the same period a year earlier.

ALL WHEAT stored in all positions on December 1, 2006, totaled 1.31 billion bushels, down 8 percent from a year ago. On-farm stocks are estimated at 403 million bushels, down 21 percent from last December. Off-farm stocks, at 911 million bushels, are down 1 percent from a year ago. The September - November 2006 indicated disappearance is 436 million bushels, down 12 percent from the same period a year earlier.

MINNESOTA & U.S. HARVESTED ACRES, YIELD, AND PRODUCTION

COMMODITY	2005 HARVESTED ACRES (000)	2006 HARVESTED ACRES (000)	2005 YIELD	2006 YIELD	2005 PRODUCTION (000)	2006 PRODUCTION (000)
MINNESOTA						
CORN FOR GRAIN (Bu)	6,850	6,850	174.0	161.0	1,191,900	1,102,850
SOYBEANS (Bu)	6,800	7,250	45.0	44.0	306,000	319,000
SPRING WHEAT (Bu)	1,730	1,650	41.0	47.0	70,930	77,550
BARLEY (Bu)	90	90	43.0	60.0	3,870	5,400
OATS (Bu)	205	200	62.0	56.0	12,710	11,200
SUGARBEETS (Ton)	460	477	20.4	24.9	9,384	11,877
DRY BEANS 1/	135	135	1,800	1,650	2,430	2,228
CANOLA (Lb)	38	27	820	1,330	31,160	35,910
OIL SUNFLOWERS (Lb)	72	53	1,600	1,850	115,200	98,050
NON-OIL SUNFLOWERS (Lb)	55	32	1,250	1,600	68,750	51,200
ALFALFA HAY (Ton)	1,350	1,350	3.50	3.30	4,725	4,455
OTHER HAY (Ton)	700	720	1.90	1.70	1,330	1,224
ALFALFA HAYLAGE 2/	275	285	5.50	7.10	1,513	2,024
ALL ALFALFA FORAGE 3/	1,525	1,500	3.59	3.64	5,473	5,455

UNITED STATES

CORN FOR GRAIN (Bu)	75,117	70,648	148.0	149.1	11,114,082	10,534,868
SOYBEANS (Bu)	71,251	74,602	43.0	42.7	3,063,237	3,188,247
SPRING WHEAT (Bu)	13,609	13,878	37.1	33.2	504,456	460,480
BARLEY (Bu)	3,269	2,951	64.8	61.0	211,896	180,051
OATS (Bu)	1,823	1,576	63.0	59.5	114,878	93,764
SUGARBEETS (Ton)	1,242.9	1,304.1	22.1	25.9	27,433	33,765
DRY BEANS 1/	1,533.6	1,537.6	1,746	1,577	26,772	24,247
CANOLA (Lb)	1,114	1,021	1,419	1,366	1,580,985	1,394,332
OIL SUNFLOWERS (Lb)	2,032	1,514	1,564	1,181	3,177,635	1,787,966
NON-OIL SUNFLOWERS (Lb)	578	256	1,455	1,389	840,720	355,647
ALFALFA HAY (Ton)	22,439	21,384	3.39	3.35	76,149	71,666
OTHER HAY (Ton)	39,290	39,423	1.91	1.78	74,868	70,000

1/ Yield in lb; production in cwt. 2/ Yield & Production (ton) in green weight basis. 3/ Yield & Production (ton) in dry weight basis (13% moisture).

MINNESOTA & U.S. GRAIN STOCKS, DECEMBER 1

COMMODITY	ON FARM		OFF FARM		TOTAL ALL POSITIONS		% CHANGE PREVIOUS YEAR
	2005	2006	2005	2006	2005	2006	
-1,000 BUSHELS-							
MINNESOTA							
CORN	900,000	780,000	286,787	279,336	1,186,787	1,059,336	-11
SOYBEANS	170,000	205,000	98,169	106,786	268,169	311,786	+16
ALL WHEAT	42,000	40,000	21,404	20,596	63,404	60,596	-4
BARLEY	2,400	3,000	19,548	11,510	21,948	14,510	-34
OATS	6,200	6,600	11,060	16,256	17,260	22,856	+32
HAY 1/	4,117	4,200	--	--	--	--	+2
UNITED STATES							
CORN	6,325,000	5,627,000	3,489,957	3,302,820	9,814,957	8,929,820	-9
SOYBEANS	1,345,000	1,461,000	1,156,426	1,236,498	2,501,426	2,697,498	+8
ALL WHEAT	513,010	403,250	916,414	911,364	1,429,424	1,314,614	-8
BARLEY	103,650	83,650	104,335	89,064	207,985	172,714	-17
OATS	60,100	53,000	35,617	43,244	95,717	96,244	+1
HAY 1/	105,205	96,397	--	--	--	--	-8

1/ 1,000 tons

MINNESOTA POTATO STOCKS 4 PERCENT BELOW 2006 LEVEL

January 1 Stocks: Minnesota's fall potatoes in storage totaled 10.7 million hundredweight, 4 percent below the January 1, 2006, level. The breakdown of January 1, 2007, stocks by type indicate 11 percent red, 6 percent white and 83 percent russet. Stocks in Area 1 totaled 2.7 million hundredweight, down 13 percent from 2006, and stocks in Area 2 totaled 8.0 million hundredweight, unchanged from 2006.

MINNESOTA FALL POTATO STOCKS

Type	Jan. 1, 2006		Jan. 1, 2007	
	Stocks 2004 Crop	Percent of Total	Stocks 2005 Crop	Percent of Total
Red	890	8	1,180	11
White	555	5	640	6
Russet	9,655	87	8,880	83
Total	11,100	100	10,700	100

MINNESOTA FALL POTATO STOCKS BY REGION

Region 1/	Jan. 1, 2006		Jan. 1, 2007	
	Stocks 2005 Crop (000) Cwt	Percent of Total Stocks	Stocks 2006 Crop (000) Cwt	Percent of Total Stocks
MN Area 1	3,100	28	2,700	25
MN Area 2	8,000	72	8,000	75
State Total	11,100	100	10,700	100

1/ Minnesota Area 1 includes the following counties: Kittson, Roseau, Lake of the Woods, Marshall, Beltrami, Pennington, Polk, Red Lake, Mahnomon.

Analysis of January 12, 2007, Grain Stocks Report

The January 12, 2007, Grain Stocks report did meet trade expectations prior to the release of the report. The trade was expecting a reduction in corn and wheat stocks with an increase in soybeans stocks expected. Corn stocks as of December 1, 2006, totaled 8.93 billion bu., down 9% from one year ago. Stocks stored on farms were 5.63 billion bu., down 11% from last year. Off-farm stocks were 3.3 billion bu., down 5% from one year ago. The Sept-Nov. disappearance totaled 940 million bu., up 15% from last year (an average of 313 mil bu./month). Based upon this information, the ending stocks are expected to be 763 million bu. or a stocks to use ratio of 6.3. The expected average prices based on this stock/use number is \$3.20 /bu. with a range of \$3 to \$3.40/bu. It should be noted that the last time that prices averaged \$3.20 per bushel was 1995/96 when the market high exceeded \$5/bu. The difference this year is that this is a demand-bull market as opposed to a short supply-driven market. The scenario is more like the early 1970's with price levels being more sustained as opposed to supply-driven markets where they tend to peak at or shortly after harvest (remember the "saying"- a short crop has a long tail"). Using option-based forecasting, there is about a 10-15% chance of prices at the local level exceeding \$4.40 per bu. Demand-bull markets tend to peak in the early spring. A note of caution is that some demand pulled back in the parts of the industrial market as prices rose - exports have also been under expectations lately. Major commodity funds have also moved out of long positions (they may, however, move back later). Commodity funds will have a major influence on the nearterm direction of prices. Expect stronger prices this morning and more volatility.

The soybean stocks reported today were 2.70 bil. bushels, up 8% from last year. Stocks on farm totaled 1.46 bil. bushels, up 9% from last year. Off-farm stocks rose by 7% to a total of 1.24 bil. bu. Disappearance for the September to November period was 436 million bu, down 12% from last year. Again, weaker demand (145 mil, bu./month on average) will signal some moderation in soybean prices. The ending stocks for 2006/7 rose to 575 million bushel. This signals a stocks to use ratio of 18.75. Price expectations based upon these fundamentals show an average price of \$6.10 per bushel with a range of \$5.75 to \$6.45/bu. Volatility on soybeans may cause prices to vary by up to \$.75 to \$1.00 per bu. around this average.

Stocks of wheat as of December 1, 2006, were 1.31 billion bushels. On-farm stocks were estimated at 403 million bushels, down 21% from last year. Off-farm stocks were pegged at 911 million bushels, down 1% from last year. September to November disappearance was 436 million bushels, down 12% from the same period one year ago. Again, higher prices seemed to have rationed demand on wheat. Expect wheat prices to stay in the mid-upper \$4 range this year. Expected increased plantings of wheat will moderate price increases later in the year. Durum wheat stocks at 23.9 mil bu, were down 59% from last year. However, disappearance of durum was also down 20%.

To recap, reduction in crop size for corn and soybeans was offset by demand decreases. Corn stocks remain tight. Soybeans stocks are ample, but if acreage swings from beans to corn, the 2007/8 prices will increase also.
(Ward Nefstead, Assoc. Prof. & Ext. Economist, Dept of Applied Economics, U of Minnesota)

DECEMBER MILK OUTPUT UP 4.2 PERCENT IN MINNESOTA

Totaling 717 million pounds, the state's December milk production was up 4.2 percent from December 2005.

Output per cow was 1,575 pounds in December, up 30 pounds from last December. Milk cows for December averaged 455,000 head, up 5,000 head from November, and 10,000 head above a year ago.

December 2006 milk output in the 23 major states was 14.0 billion pounds, up 2.7 percent from December 2005. Milk cows in the 23 states averaged 8.27 million head, up 86,000 from the previous year. At 1,689 pounds, production per cow was 26 pounds greater than December 2005.

NOVEMBER/DECEMBER 2006 MILK STATS

State	Milk Production		Change From Previous Year	
	Nov	Dec	Nov	Dec
	<i>Million Lbs.</i>		<i>Percent</i>	
California	3,135	3,302	102.7	103.9
Idaho	890	910	105.6	105.3
Minnesota	673	717	104.0	104.2
New York	972	984	101.0	98.0
Pennsylvania	858	889	102.9	101.0
Wisconsin	1,864	1,958	101.7	102.0
23 States	13,341	13,963	102.6	102.7

Douglas Hartwig
Director

U.S. TURKEYS RAISED IN 2006 UP 4 PERCENT FROM 2005

Turkeys raised in the United States during 2006 totaled 262 million birds, up 4 percent from the 252 million raised in 2005.

Minnesota ranked first in the number raised with 45.0 million, followed by North Carolina with 37.5 million, Arkansas with 30.0 million, Virginia with 21.5 million, Missouri with 20.0 million, California with 15.8 million, and Indiana with 13.8 million. These States accounted for 70 percent of the turkeys produced in the United States during 2006.

TURKEYS RAISED – SELECTED STATES		
State	Thousand Head 2006	2006 as % of 2005
AR	30,000	105
CA	15,800	109
IA	8,200	91
IN	13,800	103
MN	45,000	101
MO	20,000	100
NC	37,500	106
ND	1,300	118
PA	10,500	100
SC	9,600	120
SD	4,200	93
VA	21,500	108
U.S.	261,960	104

Dan Lofthus
Deputy Director