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STATE'S UTILIZED APPLE PRODUCTION INCREASED

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MINNESOTA: Utilized apple production for 2005 was estimated at 16.0 million pounds, down 3.9 million pounds from 2004. The 2005 total apple production is estimated at 22.0 million pounds, a decrease of 3.0 million pounds from last year's crop.

**RELEASED:
January 31, 2006**

The value received for the 2005 crop was down 8 percent from 2004. The preliminary average price received for Minnesota apples was 53.5 cents per pound compared with 46.8 cents in 2004, up 6.7 cents per pound. The price includes fresh sales (both retail and wholesale) plus processing sales on a delivered wholesale basis. Both production and price estimates are subject to revision when the updated annual summary is published in August.

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UNITED STATES: Utilized apple production for 2005 is estimated at 9.78 billion pounds, down 6 percent from the 2004 level. Utilized production for Washington and New York decreased 6 percent and 20 percent, respectively, while Michigan's utilized production increased 8 percent compared to the previous year. In New York, a spring frost during bloom, extreme heat during early summer, and heavy rains and winds during mid October reduced the 2005 crop. Below normal humidity levels in Michigan kept disease pressure low and the apple crop was ahead of normal development throughout the growing season.

APPLES

**CATTLE ON
FEED**

**U.S. MEAT
PRODUCTION
OUTLOOK**

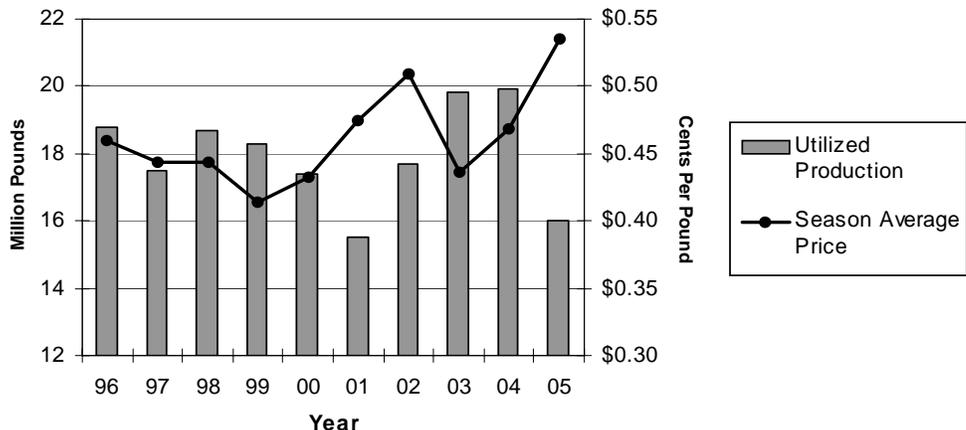


CROP YEAR	UTILIZED PRODUCTION (MILLION LBS.)	SEASON AVERAGE PRICE (CENTS PER LB.)	VALUE (1,000 DOLLARS)
MINNESOTA			
2001	15.5	47.5	7,363
2002	17.7	50.9	9,008
2003	19.8	43.6	8,624
2004	19.9	46.8	9,307
2005	16.0	53.5	8,563
UNITED STATES			
2001	9,209	15.8	1,452,344
2002	8,374	18.9	1,581,260
2003	8,703	20.9	1,817,240
2004	10,371	15.9	1,647,983
2005	9,779	18.3	1,786,674

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MINNESOTA APPLES

UTILIZED PRODUCTION & SEASON AVERAGE PRICES



U.S. CATTLE ON FEED UP 4 PERCENT

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.8 million head on January 1, 2006. The inventory was 4 percent above January 1, 2005 and 5 percent above January 1, 2004.

Placements in feedlots during December totaled 1.88 million, 3 percent above 2004 and 8 percent above 2003. This is the highest placements for the month of December since the series began in 1996. Net placements were 1.79 million. During December, placements of cattle and calves weighing less than 600 pounds were 575,000, 600-699 pounds were 554,000, 700-799 pounds were 430,000, and 800 pounds and greater were 325,000.

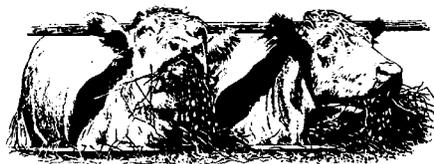
Marketings of fed cattle during December totaled 1.72 million, 3 percent below 2004 and 1 percent below 2003.

Other disappearance totaled 91,000 during December, 1 percent below 2004 but 1 percent above 2003.

Cattle on Feed: Number on Feed, 1,000+ Capacity Feedlots, by Month, State, and United States 2005-2006 1/

State	Jan 1, 2005	Dec 1, 2005	Jan 1, 2006		
			Number	as % of 2005	as % of Dec
	1,000 Head	1,000 Head	1,000 Head	Percent	Percent
AZ	331	328	334	101	102
CA	535	550	550	103	100
CO	1,080	1,070	1,080	100	101
ID	295	280	275	93	98
IA	450	500	510	113	102
KS	2,410	2,470	2,500	104	101
NE	2,300	2,400	2,430	106	101
NM	126	137	143	113	104
OK	350	365	370	106	101
SD	192	190	205	107	108
TX	2,700	2,940	2,920	108	99
WA	190	161	152	80	94
Oth Sts	340	335	335	99	100
US	11,299	11,726	11,804	104	101

1/ Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.



U.S. AGRICULTURAL TRADE BOOSTS OVERALL ECONOMY

Final data for fiscal year 2005 show U.S. agricultural exports exceeded the record set in fiscal 2004. Agricultural imports also continued to grow at a record pace throughout the year. We expect this pace to also result in record trade for calendar year 2005. Final data for calendar year 2005 will be available in February 2006. What follows is a discussion of the impacts of agricultural trade on the U.S. economy in calendar year 2004—the latest data available at this time. 1/

U.S. agricultural exports generate employment, income, and purchasing power in both the farm and nonfarm sectors. In calendar year 2004, each farm export dollar stimulated another \$1.48 in business activity. The \$61.4 billion of agricultural exports in calendar year 2004 produced an additional \$90.8 billion in economic activity. Agricultural exports also generated 825,000 full-time civilian jobs, which include 437,000 jobs in the nonfarm sector. Farmers' purchases of fuel, fertilizer, and other inputs to produce commodities for export spurred economic activity in the manufacturing, trade, and transportation sectors.

Production from almost a third of U.S. cropland moved into export channels in 2004. The United States exported 49 percent of its food grain production, almost 16 percent of its feed grains, and more than 35 percent of its oilseeds. While lower percentages of food and feed grain production were exported in 2004 than in 2003, oilseed exports remained steady. Export-related employment peaked in 1981 when bulk and processed agricultural exports provided jobs for 1.2 million workers. In 2004, exports generated \$152.2 billion in business activity—\$61.4 billion from exports and \$90.8 billion from supporting activities. Net agricultural exports in 2004 contributed \$8.8 billion to the overall U.S. trade balance—a decrease of \$3.5 billion from 2003. 2/

1/ The Economic Research Service uses agricultural trade multipliers to provide estimates of employment and output and to reflect the amount of economic activity generated by agricultural exports. Additional detail is forthcoming at: <http://www.ers.usda.gov/data/trademultiplier/>.

2/ The Economic Research Service stopped distinguishing between competitive and noncompetitive imports in 2004.

Source: U.S. Agricultural Trade Update/FAU-109/January13, 2006 Economic Research Service, USDA

SINGAPORE REOPENS MARKET TO U.S. BEEF

WASHINGTON, Jan. 19, 2006 - U.S. Agriculture Secretary Mike Johanns today announced that Singapore will resume the import of U.S. boneless beef products from animals under 30 months of age under an agreement reached today.

“The opening of Singapore’s market demonstrates a growing global confidence in the effectiveness of U.S. safeguards and the safety of U.S. beef,” said Johanns. “This decision adds momentum to our goal of resuming normal beef trade throughout the world that follows science-based international guidelines in food and animal safety. We will continue to pursue this objective with all our trading partners.”

Singapore’s decision to lift its ban follows recent developments in Japan, Hong Kong and South Korea to resume trade in various beef or beef products.

In 2003, the United States exported \$5.9 million of beef and beef products to Singapore, with boneless beef exports accounting for nearly \$4 million. After the discovery of a BSE-infected cow in the United States, \$4.8 billion worth of U.S. beef and beef product exports were banned. Markets accounting for \$3.8 billion have since been recovered.

Source: www.aphis.usda.gov/wps/portal, News Release 0018.06, 01/19/06

THE DECEMBER HOGS AND PIGS REPORT: NO FIREWORKS

The *Quarterly Hogs and Pigs* report, issued by USDA on December 28, 2005, (<http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/>) showed unexceptional first-half 2006 farrowing intentions and modest increases in December 1 breeding herd numbers. These two data series in particular have important implications for pork production this year. Producers reported that they intend to farrow 1 percent more sows in the first 6 months of 2006 than they did during the same period in 2005. With trend increases in pigs per litter and slightly higher slaughter weights, the U.S. pork sector is expected to produce more than 10 billion pounds of pork in the first half of 2006, and almost 11 billion pounds in the second half, for a record high total in 2006 of over 21 billion pounds, or 2.4 percent above 2005. Live equivalent 51-52 percent hog prices are expected to average between \$44 and \$47 in 2006, about 9 percent lower than last year, but above break-even prices for most U.S. producers.

Producers reported December 1 breeding herd inventories that were 1 percent greater than a year earlier, but unchanged compared with December 1, 2003. Modest increases in breeding herd numbers show continued restraint by producers toward expansion in the 23rd month of greater than breakeven prices, according to USDA’s Estimated Returns (<http://www.ers.usda.gov/publications/ldp/>). It is worth noting again that recent production increases have been achieved largely via higher litter rates—that result from investment in human, as well as productive capital—and heavier average slaughter weights, rather than by additions to breeding herd inventories alone.

Source: Economic Research Service, USDA, Livestock, Dairy and Poultry Outlook, <http://www.ers.usda.gov>, 01/19/06

HIGHER BROILER PRODUCTION EXPECTED IN 2006

Due to larger numbers of chicks being placed for growout and increases in average broiler liveweight at slaughter, the production estimate for fourth-quarter 2005 was increased by 100 million pounds to 8.85 billion pounds. As a result, the annual estimate for 2005 was raised to 35.3 billion pounds, a 3.6 percent increase from the previous year. Earlier in fourth-quarter 2005, when the broilers to be slaughtered in December were being placed, the number of chicks being placed for growout was averaging close to 2 percent higher than a year earlier. In addition to a greater number being available for slaughter, the average broiler liveweight at slaughter has been over 3 percent higher than the previous year in the last 2 months and is expected to again be at least 2 percent higher in December.

Broiler meat production in November was estimated at 2.933 billion pounds, up 4.9 percent from the previous year. Over the first 11 months of 2005 broiler meat production has totaled 32.4 billion pounds, 3.8 percent more than during the same period in 2004. The increase in meat production in November was due to both an increase in the number of birds slaughtered (718 million), up 1.3 percent from the previous year, and an increase in the average liveweight at slaughter (5.49 pounds), up 3.2 percent.

Higher domestic production and falling demand in some export markets have caused stocks to increase and domestic prices for most broiler products to decrease. Overall, broiler products in cold storage at the end of November were estimated at 869 million pounds, up 13.5 percent from the previous year. While stocks have increased for several broiler products, much of the increase is due to higher stocks of legs (up 120 percent), leg quarters (up 39 percent), and wings (up 27 percent). These increases in cold storage holdings resulted in fourth-quarter ending stock estimates increasing to 850 million pounds. Quarterly ending stock estimates for 2006 were also significantly increased.

The 12-City composite price for whole broilers averaged 66.7 cents per pound in fourth-quarter 2005. This is down less than 2 cents from the previous year, but it is a decline of over a nickel (7.5 percent lower) from the previous quarter. Prices have also declined for a number of other broiler products. The December price in the Northeast market for boneless/skinless chicken breasts was \$1.01 per pound, down 21 percent from the previous year. Other broiler products that had similar large price declines were leg quarters, down 11 percent, and wings, down 25 percent. Prices for most broiler products are expected to remain depressed for the near future as a combination of strong production, weakness in demand, and high stock levels are expected to place downward pressure on those prices.

Source: Economic Research Service, USDA, Livestock, Dairy and Poultry Outlook, Jan. 19, 2006, <http://www.ers.usda.gov>

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