USDA
NASS
Minnesota
Field Office
E-mail: nass-mn@nass.usda.gov
http://www.nass.usda.gov/mn/

Agri-View

ISSUE AV-20-06

RELEASED
OCTOBER 24, 2006

IN THIS ISSUE:

PRICES RECEIVED

CROP REPORT

WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

SEPTEMBER MILK PRODUCTION

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

CROP PRICES DOWN FROM AUGUST

Prices received by farmers for soybeans for September averaged $4.93 per bushel, a decrease of 16 cents from the August price. Corn was unchanged at a September price of $1.93 per bushel.

The all hog price for September was $51.30 per cwt., a decrease of $1.70 from the August price. The all beef cattle price for September was $81.30, an increase of $3.80 from the August price.

The all milk price for September, at $12.70 per cwt., was up 80 cents from August.

The preliminary U.S. All Farm Products Index of Prices Received by Farmers in September, at 118 percent, based on 1990-92=100, decreased 2 points (1.7 percent) from August. The Crop Index is down 7 points (5.6 percent) but the Livestock Index increased 1 point (0.9 percent.)

AVERAGE PRICES RECEIVED BY FARMERS

Commodity And Unit	U.S. Sep 2006 1/	Minnesota Sep 2005 2/	Minnesota Aug 2006 2/	Minnesota Sep 2006 1/
Barley, Feed & Malting, bu	2.65	3/	2.15	2.21
Beans, Dry Edible, All, cwt	19.40	18.80	21.30	3/
Kidney, cwt	4/	3/	3/	3/
Navy, cwt	4/	3/	3/	3/
Pinto, cwt	4/	3/	3/	3/
Corn, bu	2.11	1.71	1.93	1.93
Hay, All Baled, ton	107.00	64.00	73.00	66.00
Alfalfa, Baled, ton	112.00	68.00	70.00	70.00
Other, Baled, ton	93.00	46.00	59.00	48.00
Oats, bu	1.68	1.46	1.73	1.70
Potatoes, cwt	6.81	7.35	8.30	7.30
Soybeans, bu	5.12	5.75	5.09	4.93
Sunflowers, All, cwt	12.00	16.90	14.90	14.80
Wheat, All, bu	3.98	3.50	4.20	4.03
Calves, cwt	135.00	136.00	124.00	135.00
Cattle, All Beef, cwt 5/	90.30	76.80	77.50	81.30
Cows, cwt, 6/	47.30	51.80	51.00	52.50
Steers & Heifers, cwt	95.20	81.90	81.80	86.00
Milk Cows, head 7/	- -	- -	- -	- -
Hogs, All, cwt	50.00	50.00	53.00	51.30
Barrows & Gilts, cwt	50.70	50.10	53.20	51.50
Sows, cwt	34.80	39.90	36.50	36.00
Lambs, cwt 8/	- -	99.10	91.20	- -
Sheep, cwt 8/	- -	41.00	23.70	- -
Milk, All, cwt	12.60	15.60	11.90	12.70
Eggs, Table Market, doz	0.37	0.42	0.39	0.38

1/ Preliminary. 2/ Entire month data. 3/ Price not published to avoid disclosure of individual firms. 4/ Price not set at the US level. 5/ "cows" and "steers and heifers" combined. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Animals sold for dairy herd replacement only. Prices published in Jan., Apr., Jul., and Oct.
8/ Preliminary prices discontinued Jan. 1996.

U.S. INDEX SUMMARY (1990-92 = 100)

Item	Aug 2005	Sep 2005	Aug 2006	Sep 2006
Prices Received	116	116	120	118
Prices Paid (Interest, Taxes, Wage Rates)	141	142	148	147
Parity Ratio 1/	82	82	81	80

1/ Computed by dividing Prices Received Index by Prices Paid Index.

U.S. INDEX OF PRICES RECEIVED (1990-92 = 100)

Commodities	Sep 2005 1/	Aug 2006 1/	Sep 2006 2/
All Farm Products	116	120	118
Crops	111	126	119
Meat Animals	119	119	121
Dairy Products	117	92	96
Poultry & Eggs	134	124	125

1/ Entire month data. 2/ Preliminary.

MINNESOTA CORN & SOYBEAN PRODUCTION UP FROM LAST MONTH

The October 1 **CORN** yield is forecasted at 166.0 bushels per acre, up 2 bushels per acre from the September 1 forecast. This forecasted yield is down 8 bushels per acre from last year's record high yield of 174.0 bushels per acre. Corn production is forecasted at 1.13 billion bushels, up 13.6 million bushels from September 1 and down 63.1 million bushels from last year.

SOYBEAN production for Minnesota is forecast at 304.5 million bushels, up 16.5 million bushels from the September 1 forecast and down 1.5 million bushels from the 2005 production. Based on October 1 conditions, the yield is forecast at 42.0 bushels per acre, up 2 bushels per acre from September 1, and down 3 bushels per acre from last year's record high yield of 45.0 bushels per acre. Updated planted acreage is 7.35 million acres and updated harvested acreage is 7.25 million acres.

The **SUGARBEET** production is forecast at 11.8 million tons, up 3 percent from the September forecast. If realized, this would surpass the record production, set in 2003, by 17%. Yield is forecast at 23.7 tons per acre, up 0.7 tons per acre from September and up 3.3 tons per acre from last year. If realized, this would break the previous record high yield of 21.5 tons per acre, set in 2000.

This year's **DRY BEAN** production is estimated at 2.5 million hundredweight, up 1 percent from last year. Yield is forecast at 1,750 pounds per acre, down 50 pounds per acre from last year. Updated harvested acreage is 140 thousand acres.

ALL SUNFLOWER production is forecast at 133.8 million pounds, down 50 million pounds from 2005. Yield is forecast at 1,593 pounds per acre compared to 1,448 pounds per acre in 2005.

U.S. HIGHLIGHTS

CORN production is forecast at 10.9 billion bushels, down 2 percent from both last month and 2005. Based on conditions as of October 1, yields are expected to average 153.5 bushels per acre, down 1.2 bushels from September but 5.6 bushels higher than last year. If realized, the yield would be the second largest on record, behind 2004. Forecast yields are lower than September across the central Corn Belt as early harvest results revealed that the hot, dry summer conditions had reduced yield potential more than anticipated. However, producers in the northern and eastern Corn Belt reported better than expected yields due mainly to timely rainfall during the growing season.

SOYBEAN production is forecast at 3.19 billion bushels, up 3 percent from the September forecast and up 4 percent from the 2005 crop. If realized, this would be the highest production on record. Based on October 1 conditions, yields are expected to average 42.8 bushels per acre, up 1.0 bushel from September but down 0.2 bushel from last year's record high yield. Compared with last month, yield forecasts are unchanged or higher in all States except South Dakota. The States with the largest expected increase from September are Illinois and Virginia, both up 3.0 bushels from last month. Timely rains and cooler temperatures improved yield expectations in the central and northern Corn Belt.

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 (Bu)	6,850	6,800	174.0	166.0	1,191,900	1,128,800
SOYBEANS (Bu)	6,800	7,250	45.0	42.0	306,000	304,500
SUGARBEETS (Ton)	460	496	20.4	23.7	9,384	11,755
DRY BEANS 1/	135	140	1,800	1,750	2,430	2,450
SUNFLOWERS (Lb)	127	84	1,448	1,593	183,950	133,800
CANOLA (Lb)	38	26	820	1,500	31,160	39,000
ALFALFA HAY (Ton)	1,350	1,300	3.50	3.50	4,725	4,550
OTHER HAY (Ton)	700	720	1.90	1.50	1,330	1,080
UNITED STATES						
CORN (Bu)	75,107	71,047	147.9	153.5	11,112,072	10,905,194
SOYBEANS (Bu)	71,251	74,505	43.0	42.8	3,063,237	3,188,576
SUGARBEETS (Ton)	1,243	1,344	22.2	24.5	27,537	32,928
DRY BEANS 1/	1,569	1,562	1,744	1,523	27,350	23,800
SUNFLOWERS (Lb)	2,610	1,864	1,540	1,134	4,018,355	2,113,625
CANOLA (Lb)	1,114	1,008	1,419	1,212	1,580,985	1,221,990
ALFALFA HAY (Ton)	22,389	22,407	3.38	3.33	75,771	74,527
OTHER HAY (Ton)	39,260	40,290	1.91	1.80	74,819	72,511

1/ Yield in lb: production in cwt.

WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

WHEAT: Projected U.S. 2006/07 ending stocks are lowered 11 million bushels from last month despite higher production and carryin reported in the Small Grains Summary and the Grain Stocks reports released September 29, 2006. Supplies increase 14 million bushels based on an 11-million-bushel increase in 2006 production and a 3-million-bushel increase in 2005/06 ending stocks. Exports are increased 25 million bushels this month reflecting tighter world supplies. Soft red winter wheat exports are raised 20 million bushels and durum exports are raised 5 million bushels. The projected price range is raised 15 cents on both ends of the range to $4.10 to $4.60 per bushel, reflecting higher domestic and world prices resulting from reduced global production and supplies.

COARSE GRAINS: U.S. corn production for 2006 is forecast at 10.9 billion bushels this month, down 209 million bushels on lower harvested area and lower yield. Harvested area is lowered 794,000 acres this month with the biggest reductions in Illinois, Nebraska, and Ohio. Beginning stocks are lowered 41 million bushels based on September 1 stocks reported in the September 29 Grain Stocks report. Total supplies for 2006/07 are projected at 12.9 billion bushels, down 250 million bushels from last month. Feed and residual use is lowered 25 million bushels reflecting higher prices and the smaller crop. Ending stocks are reduced 225 million bushels and are just below 1.0 billion bushels. The 2006/07 marketing year average price is raised 25 cents on both ends of the range to $2.40 to $2.80 per bushel, reflecting the tighter balance sheet, higher-than-expected cash prices in recent weeks, and strong futures prices.

OILSEEDS: U.S. oilseed ending stocks for 2006/07 are projected at 16.3 million tons, up 0.7 million tons from last month and up 2.2 million tons from revised 2005/06 ending stocks. Total U.S. oilseed production is projected at 96.4 million tons, up 2.7 million tons from last month. Soybean production is forecast at a record 3,189 million bushels, up 96 million due to higher yields and increased harvested area. Planted and harvested area are both raised 0.6 million. Total soybean supplies are up 60 million bushels as higher production is partly offset by lower carryin. Soybean exports and crush are raised 20 million and 10 million bushels, respectively, due to increased supplies. Soybean ending stocks are projected at 555 million bushels, up 25 million from last month. Other oilseed changes include increased peanut, canola, and cottonseed production and reduced sunflowerseed production.

U.S. season-average soybean prices for 2006/07 are projected at $4.90 to $5.90, unchanged from last month. Also unchanged are projected soybean meal prices at $147.50 to $177.50 per short ton and soybean oil prices at 23.0 to 27.0 cents per pound.

SUGAR: Projected 2006/07 U.S. sugar supply is nearly unchanged from last month. Higher beginning stocks and production are offset by lower imports. Production is increased 11,000 short tons, raw value, based on processor estimates compiled by the Farm Service Agency (FSA). Imports are reduced 92,000 tons due to higher shortfall under the tariff rate quota (TRQ) and lower imported sugar in molasses and syrups. Sugar use is unchanged.

For 2005/06, total supply is increased 80,000 tons. Production is increased 23,000 tons based on processor estimates compiled by FSA. Imports are increased 57,000 tons, with non-program imports up 50,000 tons and program imports up 7,000 tons. Imports under the re-export program are increased 49,000 tons, while imports under the TRQ and other trade agreements are decreased 42,000 tons. The import changes are mostly from updated reporting by U.S. Customs. Sugar use is unchanged.

LIVESTOCK, POULTRY, DAIRY: Forecasts of total U.S. meat production for 2006 and 2007 are adjusted from last month due to changes in red meat production. Beef production forecasts are reduced slightly for each year. The 2006 forecast is lowered as the pace of feedlot marketings remains slower than expected. However, the decline is partly offset by increased cow slaughter due to continued dry conditions. The 2007 beef forecast is lowered because cow slaughter is reduced. Pork production is forecast higher for both 2006 and 2007. The forecast for 2006 is raised, reflecting larger-than-expected third-quarter hog slaughter. The production forecasts for 2007 are raised because the September 29 Quarterly Hogs and Pigs report indicated an increase in both the breeding herd and producer expectations to farrow more sows through the first quarter of 2007, resulting in more available hogs for slaughter. Broiler and turkey production forecasts are unchanged from last month.

Aggregate meat export forecasts for 2006 and 2007 are lowered from last month. Modestly higher forecast beef exports in 2006 are more than offset by reduced exports of pork and poultry meat. Forecasts of beef exports are unchanged for 2007, but pork and poultry exports are forecast lower.

Cattle price forecasts for 2006 and 2007 are raised from last month as the demand for cattle is expected to support prices. Hog prices are also raised from last month as firm demand for hogs is expected through 2007. Broiler prices in 2006 are reduced slightly based upon third-quarter prices but turkey prices are raised.

- Continued

- Continued from previous page

The milk production forecasts for 2006 and 2007 are raised from last month. Cow numbers in 2006 were reduced from last month. In 2007, cow numbers are increased slightly from last month moderating the rate of decline. In addition, milk per cow continues to grow, supporting higher production forecasts in both 2006 and 2007. Demand is expected to remain robust, especially for nonfat dry milk (NDM) and whey, but larger product supplies may pressure cheese and butter prices. A weaker expected 2006 cheese price results in a lower forecast 2006 Class III price, but a stronger NDM price raises the forecast for the Class IV price. In 2007, Class III prices are forecast higher as strong demand for whey is expected to offset weaker cheese prices, compared with last month. The 2007 Class IV price forecast is reduced as lower forecast butter prices more than offset an increase in forecast NDM prices. In the face of strong demand for NDM, both for domestic and international use, forecast CCC net removals for 2006 and 2007 are reduced from last month. The range of the all milk price for 2006 is narrowed from last month. The price forecast for 2007 is raised to $13.00 to $13.90.

SOURCE: USDA-WAOB-WASDE-439, October 12, 2006

SEPTEMBER MILK OUTPUT UP 2.5 PERCENT IN MINNESOTA

Totaling 662 million pounds, the state's September milk production was up 2.5 percent from September 2005.

Output per cow was 1,470 pounds in September, up 35 pounds from last September. Milk cows for September averaged 450,000 head, the same as August, and the same as a year ago.

September 2006 milk output in the 23 major states was 13.3 billion pounds, up 2.0 percent from September 2005. Milk cows in the 23 states averaged 8.25 million head, up 79,000 from the previous year. At 1,615 pounds, production per cow was 16 pounds greater than September 2005.

AUGUST/SEPTEMBER 2006 MILK STATS

State	Milk Production		Change From Previous Year	
	Aug	Sept	Aug	Sept
	Million Lbs.		*Percent*	
California	3,290	3,145	+4.2	+2.0
Idaho	974	924	+7.3	+6.5
Minnesota	**686**	**662**	**+0.9**	**+2.5**
New York	1,032	979	-0.3	-0.4
Pennsylvania	875	863	-1.1	+2.5
Wisconsin	1,953	1,880	-0.9	+0.6
23 States	13,861	13,318	+1.6	+2.0

Douglas A. Hartwig
Director

Dan Lofthus
Deputy Director