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U.S. Cattle on Feed Up 1 Percent

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.0 million head on January 1, 2007. The inventory was 1 percent above January 1, 2006 and 6 percent above January 1, 2005. This is the highest January 1 inventory since the series began in 1996. The inventory included 7.57 million steers and steer calves, up slightly from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 4.30 million head, up 4 percent from January 1, 2006.

Placements in feedlots during December totaled 1.71 million, 9 percent below 2005 and 7 percent below 2004. Net placements were 1.63 million. During December, placements of cattle and calves weighing less than 600 pounds were 470,000, 600-699 pounds were 504,000, 700-799 pounds were 420,000, and 800 pounds and greater were 320,000.

Marketings of fed cattle during December totaled 1.63 million, 5 percent below 2005 and 9 percent below 2004. This is the lowest fed cattle marketings for the month of December since the series began in 1996.

Other disappearance totaled 88,000 during December, 3 percent below 2005 and 4 percent below 2004.

U.S. Potato Stocks

The 13 major potato States held 220 million cwt of potatoes in storage January 1, 2007, virtually unchanged from last year but 7 percent below January 1, 2005, for comparable States. Ohio and Pennsylvania were dropped from the potato stocks program starting with the 2005 storage season. Potatoes in storage account for 58 percent of the 2006 fall storage States' production, down 1 percentage point from last year. Klamath Basin stocks were added to the potato stocks program starting with December 2006 and total 3.40 million cwt on January 1, 2007. Klamath Basin includes California and Klamath County, Oregon potato stocks. Potato disappearance, at 162 million cwt, is up 6 percent from last year. Season to date shrink and loss, at 16.1 million cwt, is up 7 percent from last year. Processors in the 9 major States have used 88.5 million cwt of potatoes this season, up 9 percent from a year ago and 3 percent above 2 years ago. Dehydrating usage accounts for 16.5 million cwt of the total processing, up 5 percent from last year but 11 percent below the same date in 2005.

December 2006 Red Meat Production

Montana slaughter plants produced 1.0 million pounds, dressed weight, of red meat during December 2006, down 39 percent from the previous December, but up 15 percent from November 2006. Cattle slaughter totaled 1,200 head, down 800 head from a year ago. The average live weight, at 1,161 pounds, increased 24 pounds from 2005.

During December there were 900 hogs slaughtered, down 300 head from a year ago. The average live weight, at 252 pounds, decreased 6 pounds from last year. December sheep slaughter in the state totaled 300 head, unchanged from December 2005. The average live weight increased 2 pounds from last year to 118 pounds.

U.S. commercial red meat production totaled 3.86 billion pounds in December, down 2 percent from the 3.95 billion pounds produced in December 2005.

Beef production, at 2.04 billion pounds, was 1 percent below the previous year. Cattle slaughter totaled 2.61 million head, down 2 percent from December 2005. The average live weight was up 17 pounds from the previous year, at 1,297 pounds.

Veal production totaled 14.4 million pounds, 7 percent above December a year ago. Calf slaughter totaled 68,100 head, up 13 percent from December 2005. The average live weight was 25 pounds below last year, at 346 pounds.

Pork production totaled 1.79 billion pounds, down 4 percent from the previous year. Hog kill totaled 8.88 million head, 4 percent below December 2005. The average live weight was unchanged from the previous year, at 272 pounds.

Lamb and mutton production, at 15.3 million pounds, was down 8 percent from December 2005. Sheep slaughter totaled 223,700 head, 3 percent below last year. The average live weight was 136 pounds, down 7 pounds from December a year ago.

January to December 2006 commercial red meat production was 47.4 billion pounds, up 4 percent from 2005. Accumulated beef production was up 6 percent from last year, veal was up slightly, pork was up 2 percent from last year, and lamb and mutton production was down 1 percent.

December U.S. Milk Production

Milk production in the 23 major States during December totaled 14.0 billion pounds, up 2.7 percent from December 2005. November revised production, at 13.3 billion pounds, was up 2.6 percent from November 2005. The November revision represented an increase of 13 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,689 pounds for December, 26 pounds above December 2005.

The number of milk cows on farms in the 23 major States was 8.27 million head, 86,000 head more than December 2005, and 14,000 head more than November 2006.

Milk production in the U.S. during the October - December quarter totaled 44.6 billion pounds, up 2.2 percent from the October - December quarter last year. The average number of milk cows in the U.S. during the quarter was 9.12 million head, 56,000 head more than the same period last year.

2006 Annual Row and Pulse Crop Summary

Crop	MONTANA							US Production (000)
	Year	Planted Acres (000)	Harvested Acres (000)	Yield Per Acre Bu.	Production (000)	Season Avg. Price Dollars 1/	Value of Production (000) 1/	
Winter Wheat	2004 2005 2006	1,900 2,150 1,950	1,630 2,100 1,920	41.0 **45.0 43.0	66,830 94,500 82,560	$3.41 $3.51 --	$227,890 $331,695 --	1,499,434 1,499,129 1,298,081
Durum Wheat	2004 2005 2006	570 590 400	545 585 395	**33.0 28.0 17.0	17,985 16,380 6,715	$3.86 $3.45 --	**$69,422 $56,511 --	89,893 101,105 53,475
Other Spring Wheat	2004 2005 2006	3,000 2,600 2,950	2,850 2,550 2,900	31.0 32.0 22.0	88,350 81,600 63,800	$3.69 $3.80 --	$326,012 $310,080 --	568,918 504,456 460,480
All Wheat	2004 2005 2006	5,470 5,340 5,300	5,025 5,235 5,215	34.5 36.8 29.0	173,165 192,480 153,075	$3.61 $3.63 --	$623,324 $698,286 --	2,158,245 2,104,690 1,812,036
Barley	2004 2005 2006	1,000 900 770	830 700 620	**59.0 56.0 50.0	48,970 39,200 31,000	$2.85 $2.92 --	$139,565 $153,664 --	279,743 211,896 180,051
Oats	2004 2005 2006	105 90 *70	40 35 *24	60.0 53.0 46.0	2,400 1,855 *1,104	$1.70 $1.63 --	$4,080 $3,024 --	115,695 114,878 93,764
Corn for Grain 2/	2004 2005 2006	70 65 65	15 17 18	143.0 **148.0 146.0	2,145 2,516 2,628	$2.42 $2.54 --	$5,191 $6,307 --	11,807,086 11,112,072 11,113,766
		(000)	(000)	Tons	(000)		(000)	(000)
Corn for Silage	2004 2005 2006	-- -- --	51 46 45	22.0 **24.0 22.0	1,122 1,104 990	-- -- --	-- -- --	107,293 106,311 --
Sugar Beets	2004 2005 2006	53.7 53.9 53.6	52.1 49.9 48.6	21.7 22.9 **26.8	1,131 1,143 1,302	$40.80 -- --	$46,145 -- --	30,021 27,537 32,390
Alfalfa Hay	2004 2005 2006	-- -- --	1,400 **1,750 1,550	2.30 2.20 2.10	3,220 3,850 3,255	$77.00 $71.50 --	$247,940 $275,275 --	75,481 75,771 71,205
Other Hay	2004 2005 2006	-- -- --	1,100 1,250 710	1.40 1.60 1.50	1,540 **2,000 1,065	$70.00 $67.50 --	$107,800 **$135,000 --	82,766 74,819 71,121
All Hay	2004 2005 2006	-- -- --	2,500 **3,000 2,260	1.90 1.95 1.91	4,760 **5,850 4,320	$76.00 $71.00 --	$355,740 $415,350 --	157,247 150,590 142,326
Sweet Cherries 4/	2004 2005 2006	-- -- --	-- 740	-- 1.66	2,360 1,230	$2,010.00 **3,530.00 $	**$4,473 $4,165 $	283,100 251,200
		(000)	(000)	Cwt.	(000)		(000)	(000)
Fall Potatoes	2004 2005 2006	10.7 10.7 10.6	10.6 10.6 10.5	335 325 **335	**3,551 3,445 3,518	$7.50 $9.15 --	$26,633 **$31,522 --	410,253 382,743 --
All Dry Beans	2004 2005 2006	13.0 18.0 19.5	12.7 14.1 18.6	22.4 20.0 16.4	285 282 305	**$28.70 $18.60 --	$8,180 $5,245 --	17,788 27,350 23,301
Pinto Beans 5/	2004 2005 2006	10.8 12.0 10.7	10.6 10.0 10.5	23.8 23.9 22.3	252 239 234	-- -- --	-- -- --	7,814 13,101 --
Garbanzo Beans 5/	2004 2005 2006	*2.2 6.0 8.8	*2.1 4.1 8.1	15.7 10.5 8.8	33 43 71	-- -- --	-- -- --	593 1,071 --
Lentils 5/	2004 2005 2006	78.0 **150.0 142.0	72.0 **146.0 134.0	**14.0 12.8 *6.0	1,008 **1,869 804	$15.10 *$9.54 --	$15,221 **$17,830 --	4,182 5,163 --
Dry Peas	2004 2005 2006	68.0 135.0 **210.0	63.0 122.0 **191.0	**20.1 18.0 10.8	1,266 **2,196 2,063	$5.91 $4.80 --	$7,482 **$10,541 --	11,419 14,003 --
Austrian Winter Peas 6/	2004 2005 2006	14.0 25.0 **32.0	11.0 **13.0 12.0	9.0 **12.2 9.2	99 **159 110	$10.10 $8.67 --	$1,000 **$1,379 --	291 307 --

1/ Season average price and value of production for 2006 are not yet available. 2/ Planted for all purposes. 3/ Price of baled hay.
4/ Total production. 5/ Data series began in 1998. 6/ Data series began in 2001. -- Not Available * Record Low ** Record High

2006 Annual Oilseed Summary

Crop	Year	MONTANA Planted Acres (000)	Harvested Acres (000)	Yield Per Acre Bu.	Production (000)	Season Avg. Price 1/	Value of Production (000) 1/	US Production (000)
Flaxseed	2004	20.0	19.0	**18.0	342	**$7.94	**$2,715	10,368
	2005	55.0	54.0	17.0	918	$6.20	$5,692	19,695
	2006	35.0	33.0	9.0	297	--	--	--
		(000)	(000)	Lbs.	(000)		(000)	(000)
Canola 2/	2004	15.0	15.0	**1,590	23,850	--	--	1,339,530
	2005	17.0	16.5	1,290	21,285	$9.00	$1,916	1,580,985
	2006	*10.0	*9.8	1,120	*10,976	--	--	--
Mustard Seed	2004	11.5	11.4	700	7,980	--	--	56,290
	2005	11.5	10.8	580	*6,264	--	--	35,114
	2006	7.0	6.9	570	3,933	--	--	--
Safflower 2/	2004	33.5	31.0	*680	*21,080	--	--	191,365
	2005	*30.0	29.0	**890	25,810	--	--	192,545
	2006	39.0	37.0	750	27,750	--	--	--
Sunflower 2/	2004	5.0	4.5	975	4,388	--	--	2,049,613
	2005	6.8	6.4	1,150	**7,360	--	--	4,018,355
	2006	3.6	*3.5	**1,278	4,474	--	--	--

1/ Season average price and value of production for 2006 are not yet available. 2/ Data series began in 1999. -- Not Available * Record Low ** Record High

World Ag Supply and Demand

Projected U.S. wheat ending stocks for 2006/07 are raised 34 million bushels this month primarily because of changes in projected trade. Imports are raised 10 million bushels as hard red spring and durum wheat imports to date have been higher than expected. Exports are lowered 25 million bushels reflecting the slow pace of shipments and sales as a result of strong U.S. prices. The projected price range is unchanged at $4.15 to $4.45 per bushel.

Global 2006/07 wheat production is projected 2.2 million tons higher this month, due primarily to larger crops in Russia and EU-25. Production is raised 1.4 million tons in Russia and 0.7 million tons in EU-25. Global consumption is raised 1.2 million tons this month reflecting increases in EU-25, Russia, Ukraine, and India. Wheat imports are reduced for Iraq and Pakistan. Higher exports for Russia, Bulgaria, and Romania are more than offset by lower exports for Ukraine, EU-25, India, and the United States. With more production, global ending stocks for 2006/07 are raised 1.1 million tons. Higher projected stocks in the United States, EU-25, and Ukraine drive the increase.

Projected U.S. 2006/07 corn ending stocks are projected at 752 million bushels, down 183 million bushels from last month as lower production is only partly offset by reduced feed and residual use. Corn production is estimated 210 million bushels lower reflecting lower planted and harvested area and a 2.1- bushel-per-acre reduction in the average yield. Feed and residual use is projected 75 million bushels lower based on the smaller crop and higher prices. Corn food and industrial use is lowered 5 million bushels reflecting lower use by the sweetener industry during the September- November quarter. Exports are raised 50 million bushels based on the continued strength of export demand as demonstrated by shipments and export sales. The projected price range is raised 10 cents on each end of the range to $3.00 to $3.40 per bushel.

Sorghum production for 2006 is estimated 11 million bushels lower this month as lower harvested area more than offsets a 2-bushel-per-acre increase in yields. Sorghum feed and residual is raised 15 million bushels based on first quarter use. Exports are lowered 10 million bushels as export sales to Mexico have remained below earlier expectations, partly a result of strong corn shipments from the United States. Sorghum 2006/07 ending stocks are projected 5 million bushels lower. Prices are projected 10 cents higher on each end of the range to $3.00 to $3.40 per bushel.

Barley feed and residual use for 2006/07 is raised 10 million bushels with a corresponding reduction in ending stocks. Barley and oats prices are unchanged this month.

Global 2006/07 coarse grain production is lowered 6.6 million tons this month. The largest share of the reduction results from lower U.S. feed grain output. Also lower are EU-25 corn, barley, and mixed grains production and Russia corn, barley, and oats production. Partly offsetting are higher sorghum and barley production in Argentina and higher corn production in Bulgaria. World coarse grain consumption is down 1.2 million tons as the U.S. decline more than offsets a small increase in foreign use. Trade is raised this month. The largest export increases are for U.S. and Brazil corn. These increases are partly offset by lower corn and barley exports from Ukraine. Global coarse grain ending stocks are lowered 6.2 million tons with global corn stocks projected to fall to their lowest level since 1977/78.

U.S. oilseed production for 2006/07 is estimated at 96.9 million tons, down 0.2 million tons from last month but up 1.4 million tons from last year. Lower soybean production is mostly offset by increases for sunflower seed, canola, cottonseed, and peanuts. Soybean production is estimated at 3,188 million bushels, down 16 million bushels from last month based on lower yields. The soybean yield is estimated at 42.7 bushels per acre, below last year's record of 43.0 bushels per acre. Soybean exports are reduced 25 million bushels to 1,120 million bushels reflecting weaker-than-expected shipments in November and December. Soybean crush is unchanged. However, soybean oil and meal exports are both raised this month, with offsetting reductions in domestic consumption. Soybean stocks are projected at a record 575 million bushels, up 10 million bushels from last month.

The U.S. season-average soybean price range for 2006/07 is narrowed to $5.75 to $6.45 per bushel. Soybean oil prices are forecast at 26.5 to 28.5 cents per pound compared with 26 to 29 cents last month. Soybean meal prices are projected at $170 to $185 per short ton compared with $165 to $190 last month. (continued on the back page)

World Ag Supply and Demand (continued from page three)

Global oilseed production for 2006/07 is projected at a record 395.4 million tons, down 0.1 million tons. Foreign production is projected at 298.6 million tons, up 0.1 million tons. Global soybean production is projected at 226.9 million tons, up 0.1 million from last month. Argentina's soybean crop is increased 0.5 million tons this month to a record 42.5 million tons. Good weather during the early part of the growing season has improved yield prospects. Foreign production of rapeseed, sunflower seed, and cottonseed are all reduced this month. India's rapeseed crop is projected at 6.2 million tons, down 0.3 million tons based on reduced harvested area reflecting Government of India data on planting progress. Other oilseed production changes include increased rapeseed production for EU-25, reduced sunflower seed production for Russia, and lower cottonseed production for Syria and Turkey. Higher cottonseed production in Brazil and China partly offsets these reductions.

Estimates of total U.S. meat production for 2006 and the forecast for 2007 are reduced slightly from last month. Fourth-quarter 2006 beef production is raised due to higher- than-expected average carcass weights. However, lower than-expected pork production due to reduced hog slaughter and lighter average carcass weights, more than offset beef gains. No change is made to 2007 beef forecasts. The December 27 Quarterly Hogs and Pigs report indicated producers intend to farrow fewer sows than previously expected although this may be partly offset by continued gains in pigs per litter. Thus, the 2007 pork production forecast is reduced from last month because of a smaller pig crop in addition to lower average carcass weights due to higher feed costs. Minor changes are made to aggregate poultry production estimates for 2006 and forecasts for 2007 as slightly lower broiler production is partly offset by higher turkey production. Egg production forecasts are unchanged.

Price forecasts for 2007 are unchanged for cattle, turkeys, and eggs, but prices are forecast higher for hogs and broilers. Slower growth in pork production coupled with improved prospects for exports will support prices above last month's forecast. Broiler meat supplies are forecast lower due to slower production growth and smaller expected stocks. Coupled with lower expected red meat supplies, broiler prices are forecast higher.

Red meat and poultry trade for 2006 and 2007 is raised from last month. Beef export forecasts are unchanged but imports are increased for 2006 as November shipments from Australia and Brazil were higher than expected. Pork import forecasts are unchanged but exports in both 2006 and 2007 are raised as sales growth is expected to remain robust through 2007. Broiler export estimates are raised for 2006 as November shipments to Russia rebounded from October and sales to a number of small markets continued to expand.

The milk production estimate for 2006 is reduced from last month but the 2007 forecast is unchanged. Gains in milk prices are expected to lag increased feed costs through much of 2007 and thus limit production expansion. Milk price forecasts are reduced from last month as increased nonfat dry milk (NDM) and whey prices are offset by reduced cheese and butter prices. Demand for NDM and whey for both domestic ingredient use and international sales continues to support relatively strong prices. In the absence of other international supply sources, U.S. prices are expected to remain high. Cheese prices are reduced slightly and butter prices are reduced more as supplies are expected to remain ample in the face of robust demand for NDM. Class price forecasts are also adjusted to reflect the recently announced interim manufacturing (make) allowances for cheese, butter, NDM, and whey that will take effect February 1. The increase in make allowances results in lower Class prices. The all milk price forecast for 2007 is reduced to $13.60 - $14.40.

Wheat: Supply, Disappearance, and Price, United States, 1992-2006

Year Beginning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
					Domestic Use							
	Beginning Stocks	Production	Imports 1/	Total	Food	Seed	Feed 2/	Total	Exports 1/	Total Disappearance		
	-- Million Bushels --											$
1992	475	2,467	70	3,012	834	99	194	1,128	1,354	2,481	531	3.24
1993	531	2,396	109	3,036	872	96	272	1,240	1,228	2,467	568	3.26
1994	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45
1995	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002	777	1,606	81	2,464	919	84	119	1,122	850	1,972	491	3.56
2003	491	2,345	63	2,899	912	80	203	1,194	1,158	2,353	546	3.40
2004	546	2,158	71	2,775	910	78	182	1,169	1,066	2,235	540	3.40
2005	540	2,105	82	2,727	915	78	153	1,146	1,009	2,155	571	3.42
2006 3/	571	1,812	115	2,498	925	81	145	1,151	875	2,026	472	4.15-4.45

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary.
SOURCE: World Agricultural Supply and Demand Estimates, January 2007--ERS. Totals may not add due to independent rounding.

COMING IN THE NEXT REPORTER

- Egg Production
- Ag Prices Received
- Private Grazing Fee Rates
- Cattle Inventory
- Sheep & Goat Inventory
- Wool & Mohair
- Farms & Land in Farms

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