



Montana Crop & Livestock Reporter

Cooperating with the Montana Department of Agriculture

Issue: 07-15 Released: August 10, 2007

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August 1, 2007 Crop Production

Montana's all wheat production is expected to be 7 percent lower than last month's forecast but 7 percent higher than last year's crop. Based on August 1 conditions, producers expect to harvest 164.1 million bushels of all wheat, up from the 153.1 million bushels harvested last year, but 12.3 million bushels below July's forecast. The area for harvest is expected to be 5.2 million acres, unchanged from last month, but 1 percent below last year. These are the last small grain forecasts until the final small grains summary is published on September 28, 2007.

Winter wheat yield is expected to be 40.0 bushels per acre, down 2 bushels from July and down 3 bushels per acre from last year. Production is forecast to be 86.0 million bushels, up from 82.6 million bushels last year, but down 4.3 million bushels from July. Acreage expected to be harvested is unchanged from the July forecast, but is up 230,000 acres from last year to 2,150,000 acres. For the week ending August 5, winter wheat was 86 percent harvested compared with 90 percent last year and the five-year average of 57 percent.

Spring wheat production in Montana is forecast to be 65.0 million bushels, up 2 percent from last year's production. The expected yield of 26.0 bushels per acre is down 3 bushels from last month, but up 4 bushels from last year. Dry and hot conditions during July ripened the spring wheat crop quickly. Acres for harvest are unchanged from July at 2.5 million, but down 400,000 from last year. The crop was rated higher than this time last year at 15 percent very poor, 17 percent poor, 22 percent fair, 41 percent good, and 5 percent excellent. Ninety-seven percent of the crop was turning color for the week ending August 5, compared with 96 percent last year and the 5-year average of 82 percent. Harvest is underway with 22 percent complete compared with 35 percent last year and 14 percent for the five-year average. Durum wheat production is forecast to be 13.1 million bushels, up 95 percent from last year, but down 4 percent from July. The expected yield of 25.0 bushels per acre is 1 bushel below last month, but 8 bushels more than 2006. The crop was rated better than this time last year at 4 percent very poor, 18 percent poor, 17 percent fair, 61 percent good, and 0 percent excellent. Harvested acres are up 33 percent from 2006 to 525,000 acres.

Barley yields are expected to average 51.0 bushels per acre in 2007, 1 bushel above last year, but down 3 bushels per acre from July. Barley production is forecast to be 37.2 million bushels compared with 31.0 million produced last year. Growers expect to harvest 730,000 acres, up 110,000 from 2006. For the week ending August 5, barley condition was reported to be 19 percent very poor, 19 percent poor, 23 percent fair, 32 percent good, and 7 percent excellent. Harvest for the week ending August 5 was reported to be 40 percent complete compared with 31 percent last year and 15 percent for the five-year average.

Oat producers expect to harvest 1.1 million bushels for grain, 2 percent lower than last year. The 2007 area for harvest is expected to be 20,000 acres, down 4,000 acres from 2006. The expected yield of 54.0 bushels per acre is 8 bushels higher than last year's yield, but down 3 bushels from July. As of August 5, the condition of the oat crop was reported to be 2 percent very poor, 11 percent poor, 29 percent fair, 51 percent good, and 7 percent excellent. Harvest was 35 percent complete compared with 39 percent last year and 17 percent for the five-year average.

Sugar beet production is forecast to be 1.2 million tons, down 10 percent from last year. The expected yield, at 25.0 tons per acre, is down 7 percent from the 27.0 tons per acre last year. Producers are expecting to harvest 47,000 acres, down 1,500 acres from last year. Dry edible bean producers expect to harvest 17,000 acres this year, down 9 percent from last year's figure, but unchanged from June. Yield is estimated at 1,800 pounds, 160 pounds per acre higher than the previous year. All dry bean production is expected to be 306,000 cwt, up 1,000 cwt from last year's figure.

Alfalfa hay in Montana is expected to yield 2.2 tons per acre in 2007, up 0.1 ton per acre from the previous year. Growers plan to harvest 1.65 million acres, up 100,000 acres from last year. Production is expected to reach 3.6 million tons, a 12 percent increase from the 2006 production figure. The average yield for other hay is forecast to be 1.6 tons per acre, up 0.1 ton per acre from last year. Production of other hay is forecast at 1.4 million tons, up 35 percent from 2006.

U.S. all wheat production, at 2.11 billion bushels, is down 1 percent from the July forecast but up 17 percent from 2006. Based on August 1 conditions, the U.S. yield is forecast at 40.6 bushels per acre, down 0.1 bushel from last month but 1.9 bushels above last year. Winter wheat production is forecast at 1.54 billion bushels. This is down 2 percent from last month but 18 percent above 2006. The U.S. yield is forecast at 41.3 bushels per acre, down 0.3 bushel from last month and down 0.4 bushel from last year. The

area expected to be harvested for grain totals 37.2 million acres, down 1 percent from last month but up 20 percent from last year. Hard Red Winter, at 948 million bushels, is down 2 percent from a month ago. Soft Red Winter, at 360 million bushels, is down 1 percent from the last forecast. White Winter is down 2 percent from last month and now totals 230 million bushels. Of this total, 17.8 million bushels are Hard White and 212 million bushels are Soft White.

Other spring wheat production in the United States is forecast to be 500 million bushels, up slightly from last month and 9 percent above 2006. Area harvested for grain totals 12.7 million acres, unchanged from last month but down 8 percent from last year. The U.S. yield is forecast at 39.3 bushels per acre, 0.2 bushel above last month and 6.1 bushels above 2006. Of the total production, 473 million bushels are Hard Red Spring wheat, up less than 1 percent from last month

Durum wheat production is forecast at 76.7 million bushels, down 3 percent from July but up 43 percent from 2006. The U.S. yield is forecast at 35.5 bushels per acre, down 0.9 bushel from last month but 6.0 bushels above last year. Expected area to be harvested for grain totals 2.16 million acres, unchanged from last month but up 19 percent from last year.

Barley production for 2007 is forecast at 223 million bushels, 3 percent below last month but 24 percent above 2006. Based on conditions as of August 1, the average yield for the U.S. is forecast at 63.1 bushels per acre, down 2.1 bushels from July but up 2.1 bushels from last year. Expected area to be harvested as grain or seed, at 3.54 million acres, is up 20 percent from 2006. The top 3 producing States are expected to produce 72 percent of the Nation's barley crop.

Oats production is forecast at 98.3 million bushels, 3 percent below the July 1 forecast but 5 percent above last year's record low 93.8 million bushels. Based on conditions as of August 1, the yield is forecast at 61.0 bushels per acre, down 1.6 bushels from last month's forecast but up 1.5 bushels from 2006. Expected area to be harvested as grain or seed is 1.61 million acres, up 2 percent from last year.

Sugar beets production for 2007 is forecast at 29.8 million tons, down 12 percent from last year's record high 34.1 million tons. Growers expect to harvest 1.24 million acres, up 2 percent from June but down 5 percent from last year. The yield is forecast at 24.0 tons per acre, down 2.1 tons from the record high set in 2006. Compared with last year, yields are expected to decline in all States except Colorado, Washington, and Wyoming. Harvested acreage is also down in all States except Washington, where acreage remains the same. (Continued on page four)

August 1, 2007 Crop Production Forecast, Montana and U.S.

Crop	Unit	Acres Planted		Acres Harvested		Yield		Production	
		2006	2007 1/	2006	2007 1/	2006	2007 1/	2006	2007 1/
		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu	1,950.0	2,200.0	1,920.0	2,150.0	43.0	40.0	82,560	86,000
Durum Wheat	Bu	400.0	530.0	395.0	525.0	17.0	25.0	6,715	13,125
Spring Wheat	Bu	2,950.0	2,550.0	2,900.0	2,500.0	22.0	26.0	63,800	65,000
All Wheat	Bu	5,300.0	5,280.0	5,215.0	5,175.0	29.4	31.7	153,075	164,125
Barley	Bu	770.0	900.0	620.0	730.0	50.0	51.0	31,000	37,230
Oats	Bu	70.0	80.0	24.0	20.0	46.0	54.0	1,104	1,080
Corn for Grain 2/	Bu	65.0	70.0	18.0	22.0	146.0	5/	2,628	5/
Sugar Beets	Tons	53.6	47.5	48.5	47.0	27.0	25.0	1,310	1,175
Fall Potatoes	Cwt	10.6	10.8	10.5	10.7	335.0	4/	3,518	4/
Dry Beans	Cwt	19.5	18.0	18.6	17.0	16.4	18.0	305	306
Dry Peas	Cwt	210.0	265.0	191.0	240.0	10.8	4/	2,063	4/
Lentils	Cwt	142.0	85.0	134.0	80.0	6.0	4/	804	4/
Aus. Winter Peas	Cwt	32.0	18.0	12.0	10.0	9.2	4/	110	4/
Canola	Lbs	10.0	12.0	9.8	11.5	1,120.0	3/	10,976	3/
Flaxseed	Bu	35.0	30.0	33.0	29.0	9.0	5/	297	5/
Safflower	Lbs	39.0	53.0	37.0	50.0	750.0	5/	27,750	5/
Alfalfa Hay	Ton	--	--	1,550.0	1,650.0	2.10	2.20	3,255	3,630
All Other Hay	Ton	--	--	710.0	900.0	1.50	1.60	1,065	1,440
All Hay	Ton	--	--	2,260.0	2,550.0	1.91	1.99	4,320	5,070
UNITED STATES		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu	40,575.0	45,136.0	31,117.0	37,188.0	41.7	41.3	1,298,081	1,537,262
Durum Wheat	Bu	1,870.0	2,225.0	1,815.0	2,163.0	29.5	35.5	53,475	76,689
Spring Wheat	Bu	14,899.0	13,144.0	13,878.0	12,733.0	33.2	39.3	460,480	500,073
All Wheat	Bu	57,344.0	60,505.0	46,810.0	52,484.0	38.7	40.6	1,812,036	2,138,252
Barley	Bu	3,452.0	4,044.0	2,951.0	3,542.0	61.0	63.1	180,051	223,478
Oats	Bu	4,168.0	3,860.0	1,576.0	1,612.0	59.5	61.0	93,764	98,341
Corn for Grain 2/	Bu	78,327.0	92,888.0	70,648.0	85,418.0	149.1	152.8	10,534,868	13,053,617
Sugar Beets	Ton	1,366.2	1,263.0	1,303.6	1,241.4	26.1	24.0	34,064	29,815
Fall Potatoes	Cwt	978.9	1,009.2	976.2	996.2	402.0	4/	391,978	4/
Dry Beans	Cwt	1,629.8	1,504.8	1,537.6	1,439.8	15.8	16.5	24,247	23,741
Dry Peas	Cwt	925.5	880.5	884.1	834.3	15.0	4/	13,203	4/
Lentils	Cwt	429.0	305.0	407.0	293.0	8.0	4/	3,244	4/
Aus. Winter Peas	Cwt	46.0	27.0	22.5	17.0	11.5	4/	259	4/
Canola	Lbs	1,044.0	1,165.0	1,021.0	1,124.0	1,366.0	3/	1,394,332	3/
Flaxseed	Bu	813.0	465.0	767.0	453.0	14.4	5/	11,019	5/
Safflower	Lbs	189.0	170.0	179.0	162.5	1,069.0	5/	191,405	5/
Alfalfa Hay	Ton	--	--	21,384.0	21,451.0	3.35	3.26	71,666	69,904
All Other Hay	Ton	--	--	39,423.0	40,338.0	1.78	1.87	70,000	75,347
All Hay	Ton	--	--	60,807.0	61,789.0	2.33	2.35	141,666	145,251

1/ Preliminary. 2/ Planted for all purposes. 3/ Forecast available October 12, 2007. 4/ Forecast available November 9, 2007. 5/ Forecast available January 11, 2008. -- Not published.

Cash Rents for 2007

The average cash rent for Montana cropland rose \$0.50 from last year to \$28.50 per acre. The non-irrigated cropland average decreased \$0.50 from 2006 to \$19.50 per acre. Average pasture rents increased from \$5.00 in 2006 to \$6.50 per acre in 2007. The average cash rent for irrigated cropland was not published.

Nationally, cash rents per acre paid to landlords for cropland rose \$5.50 (6.9 percent), while pasture rents increased \$1.20 (11 percent) for the 2007 crop and grazing year. Cropland cash rents paid in 2007 averaged \$85.00 per acre, compared with \$79.50 per acre for 2006. Pasture cash rents averaged \$12.00 per acre, \$1.20 higher than 2006. The increases in cropland and pasture land rental rates continue to reflect producers' optimism following strong commodity prices.

Cropland cash rents reported in 2007 increased in all regions. The Mountain region had the highest percentage increase for cropland, 20 percent above 2006. Cropland cash rents increased \$7.00 per acre to \$126.00 in the Corn Belt region and \$4.50 per acre to \$58.00 in the Northern Plains region. The Corn Belt and Northern Plains regions account

for slightly more than one half of cash rented cropland acreage in the U.S.

The major corn and soybean producing States of Illinois, Indiana, and Iowa experienced increases of 6.8, 8.1, and 5.3, percent respectively, for cropland cash rents. Illinois, Indiana, and Iowa cropland cash rents averaged \$141.00, \$120.00, and \$140.00 per acre, respectively.

Pasture rent in the Northern Plains, Southern Plains, and Mountain regions, which account for nearly 85 percent of the cash rented pasture acreage in the U.S., increased by \$1.50, 60 cents, and \$2.20 per acre, respectively. The Corn Belt region had the highest cash rent for pasture in the U.S.

Farm Real Estate Values

Montana farm real estate values have steadily increased over the past eight years. The average value of farm real estate in Montana on January 1, 2007 was \$960 per acre, up \$160 from 2006. In 2007, the average value of cropland increased \$145 to \$1000 per acre. The average value of irrigated cropland was \$3,700, an increase of \$900 from a year ago, while non-irrigated cropland rose \$90 per acre to \$730 per acre. Pasture values increased \$150 to \$850 per acre.

U.S. farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$2,160 per acre on January 1, 2007, up 14 percent from 2006. The \$2,160 per acre is a record high and \$260 more than a year earlier.

Both cropland and pasture values for 2007 are record highs. Cropland values rose by 13 percent to \$2,700 per acre, up from the previous high of \$2,390 in 2006. Pasture value rose by 16 percent to \$1,160 per acre.

The increase in farm real estate values continues to be driven by a combination of many factors, which include strong commodity prices and farm programs, outside investments, favorable interest rates and tax incentives, and continued commercial and residential development. Livestock prices and recreational use remain the predominant influences that increase pasture land values.

Regional increases in the average value of farm real estate ranged from 9 percent in the Southeast region to 18 percent in the Mountain region. (continued on next page)

Farm Real Estate Values (continued from page two)

The highest farm real estate values remained in the Northeast region, where development pressure continued to push the average value to \$5,000 per acre. The Northern Plains region had the lowest farm real estate value, at \$961 per acre, up 14 percent from the previous year.

The Lake region had the highest percentage increase in cropland value, up 15.7 percent from 2006. In the Corn Belt region cropland values rose 15 percent, to \$3,720 per acre. The Southern Plains region also increased 15 percent from the previous year, to \$1,330 per acre.

The Pacific region had the highest average percentage increase in pasture value, 29 percent above 2006. In the Southern Plains and Mountain regions, which account for more than half of the pasture in the U.S., pasture values per acre increased 25 percent and 18 percent, respectively.

June 2007 Ag Prices Received

June full month crop prices were mostly higher when compared with May 2007. Montana's winter wheat price was

\$5.04 per bushel, up \$0.23 from the previous month; spring wheat increased \$0.11 to \$5.08 per bushel; but durum wheat prices decreased \$0.35 to \$5.40 per bushel. Feed barley prices rose \$0.29 from the previous month to \$3.11 per bushel, but malt barley prices were down \$0.08 to \$3.23 per bushel and oats were down \$0.08 to \$2.41 per bushel.

The mid-July price for alfalfa hay decreased \$10.00 to \$77.00 per ton, but all other hay rose \$1.00 to \$105.00 per ton. Mid-July grain prices were mostly higher with winter wheat at \$5.23 per bushel, spring wheat was \$5.60 per bushel, durum wheat was \$6.47 per bushel, oats were \$2.50 per bushel, and feed barley was \$2.97 per bushel.

Livestock prices for the full month of June were mixed when compared with the previous month. Steer and heifer prices dropped \$8.40 to \$90.40 per cwt, calves decreased \$2.00 to \$112.00 per cwt, cows decreased \$1.90 to \$52.00 per cwt. Sheep prices increased \$1.10 to \$28.90 per cwt, and lambs rose \$3.70 to \$102.00 per cwt. Milk prices increased \$1.40 per cwt from last month to \$17.70 per cwt. Steer and heifer prices for mid-July were \$90.90 per cwt; cows were \$54.60 per cwt; calves were \$116.00 per cwt; and the all milk price was \$19.80 per cwt.

Nationally, prices for June and changes from May were as follows: winter wheat was \$5.00 per bushel, up \$0.23; spring wheat was \$5.18 per bushel, up \$0.20; durum wheat was \$5.50 per bushel, up \$0.11 ; the all barley price was \$3.30 per bushel, up \$0.18; steer and heifer prices were \$93.30 per cwt, down \$4.80; calves were \$125.00 per cwt, down \$1.00; sheep were \$27.50 per cwt, down \$2.80; lambs were \$96.30 per cwt, down \$0.30; and all milk was \$20.20 per cwt, up \$2.20.

The U.S. mid-July winter wheat price was \$5.30 per bushel; spring wheat was \$5.62 per bushel, durum wheat was \$6.25 per bushel, all wheat was \$5.37 per bushel, malt barley was \$3.40 per bushel, feed barley was \$3.31 per bushel, and oats were \$2.50 per bushel. Steer and heifer prices were \$94.30 per cwt, cows were \$51.40 per cwt, calves were \$125.00 per cwt, all hogs were \$52.60 per cwt, and all eggs were \$0.946 per dozen.

The preliminary All Farm Products Index is up 25 points (21 percent) from July 2006. The Food Commodities Index, at 144, increased 4 points (2.9 percent) from last month and increased 25 points (21 percent) from July 2006.

United States Index Summary

INDEX (1990-92=100)	June 2006	July 2006	June 2007	July 2007
Prices Received	118	117	139	142
Prices Paid, Interest, Taxes, & Farm Wage Rates 1/	149	149	158	158
Ratio 2/	79	79	88	90

1/ Prices paid indexes (1990-92=100) published monthly. 2/ Ratio of index of prices received by farmers to index of prices paid.

Montana Average Farm Prices Received

Commodity	U N I T	Monthly Average			Change from Previous			Mid-Month Avg		
		Montana			U.S.		Month	Year	Montana	U.S.
		Jun 2006	May 2007	Jun 2007	Jun 2007	May 2007	Jun 2006	July 15, 2007	July 15, 2007	
Dollars										
Winter Wheat	Bu	4.12	4.81	5.04	5.00	0.23	0.92	5.23	5.30	
Durum Wheat	Bu	3.71	5.75	5.40	5.50	-0.35	1.69	6.47	6.25	
Spring Wheat	Bu	4.18	4.97	5.08	5.18	0.11	0.90	5.60	5.62	
All Wheat	Bu	4.10	4.95	5.07	5.03	0.12	0.97	5.47	5.37	
All Barley	Bu	2.95	3.18	3.22	3.30	0.04	0.00	3.39	3.37	
Feed Barley	Bu	1.82	2.82	3.11	3.52	0.29	1.29	2.97	3.31	
Malt Barley	Bu	3.11	3.31	3.23	3.26	-0.08	0.12	na	3.40	
Oats	Bu	na	2.49	2.41	2.54	-0.08	na	2.50	2.50	
Alfalfa Hay	Ton	65.00	89.00	87.00	137.00	-2.00	22.00	77.00	137.00	
All Other Hay	Ton	74.00	84.00	104.00	111.00	20.00	30.00	105.00	113.00	
All Hay Baled	Ton	66.00	89.00	90.00	131.00	1.00	24.00	81.00	131.00	
Steers & Heifers	Cwt	99.60	98.80	90.40	93.30	-8.40	-9.20	90.90	94.30	
Cows	Cwt	49.30	53.90	52.00	50.10	-1.90	2.70	54.60	51.40	
Beef Cattle 1/	Cwt	64.40	84.90	73.10	89.10	-11.80	8.70	82.90	90.30	
Calves	Cwt	127.00	114.00	112.00	125.00	-2.00	-15.00	116.00	125.00	
Sheep	Cwt	24.00	27.80	28.90	27.50	1.10	4.90	na	na	
Lambs	Cwt	99.90	98.30	102.00	96.30	3.70	2.10	na	na	
All Milk	Cwt	12.10	16.30	17.70	20.20	1.40	5.60	19.80	21.70	

1/ Composite of steers, heifers, and cows. na-not available.

August 1, 2007 Crop Production (continued from page one)

U.S. dry edible bean production is forecast at 23.7 million cwt in 2007, down 2 percent from last year and 11 percent below two years ago. Acreage changes since the June Acreage report increased planted area less than 1 percent and harvested expectations 1 percent. Planted area is now estimated at 1.50 million acres, 8 percent below both last year and 2005. Harvested area is forecast at 1.44 million acres, down 6 percent from the last two years. The average U.S. yield is forecast at 1,649 pounds per acre, an increase of 72 pounds from last year but 97 pounds less than two years ago.

Alfalfa and alfalfa mixtures production in the United States is forecast at 69.9 million tons, down 2 percent from last year. Yields are expected to average 3.26 tons per acre, a decrease of 0.09 ton from last year. Harvested area is forecast at 21.5 million acres, unchanged from June but slightly above the previous year's acreage.

Other hay production is forecast at 75.3 million tons, up 8 percent from 2006. Based on August 1 conditions, yields are expected to average 1.87 tons, up 0.09 ton from last year. Harvested area, at 40.3 million acres, is unchanged from June but up 2 percent from the previous year.

Sheep and Hog County Estimates Available

The January 1, 2007 county estimates for all sheep and December 1, 2006 county estimates for hogs and pigs and district estimates for chickens are available on our website at <http://www.nass.usda.gov/mt>.

The USDA, National Agricultural Statistics Service, Montana Field Office compiles the only annual county estimates for Montana. The county estimates are based on livestock surveys conducted at the end of 2006 and beginning of 2007. Questionnaires were sent to a sample of farmers and ranchers throughout Montana asking for information on the livestock inventories. About 5,800 questionnaires were tabulated and summarized. Thank you to all the farmers and ranchers who participated in the survey!

U.S. Farm Production Expenditures

U.S. Farm Production Expenditures totaled \$235 billion in 2006, up 5.4 percent from the revised 2005 total of \$223 billion. The largest contributors to the increase were Livestock and Poultry Purchases, up 17 percent; Taxes, up 13 percent; Interest, up 10 percent; Feed, up 8.9 percent; and Fuels, up 7.9 percent. The rise in production expenditures was spread more evenly across line-item expenditures this year than in previous years.

Trucks and Autos, Tractors and Self-propelled Machinery, and Other Farm Machinery were down 15 percent, 14 percent, and 7.3 percent, respectively. The drop in Capital Expenditures is likely due to up-to-date on-farm machinery inventories on farms and localized areas of drought.

The four largest expenditures at the U.S. level accounted for 48 percent of Total Farm Production Expenditures in 2006. They were Farm Services, 13 percent; Feed, 13 percent; Livestock & Poultry purchases, 11 percent; and Labor, 11 percent.

In 2006, the average U.S. Total Farm Expenditure was \$112,788 compared with \$106,423 for 2005. On average, U.S. farm operations spent: \$14,974 on Farm Services, \$14,638 on Feed, \$12,094 on Livestock and Poultry Purchases, \$11,902 on Labor, and \$8,783 on Rent. Revised estimates for 2005 indicate U.S. farms spent an average of: \$14,130 on Farm Services, \$13,366 on Feed, \$10,311 on Livestock and Poultry Purchases, \$11,457 on Labor, and \$8,163 on Rent. Average Total Expenditures for large farms (\$1 million and over in sales) were \$2.60 million, 3.7 times larger than the next largest economic class.

Total Expenditures by farm production region were up for all the regions in 2006. The West had the greatest gain at 12 percent followed by the Plains with an increase of 6.6 percent.

The Midwest farm production region contributed most to the total 2006 U.S. Farm Production Expenditures with expenses of \$64.7 billion, or 28 percent. The other regions ranked by Total Expenditures were: West, at \$61.5 billion; Plains at \$52.5 billion; Atlantic, at \$30.2 billion; and South, at \$26.2 billion.

The sum of Total Expenditures for Core States was \$150.9 billion in 2006 (64 percent of the U.S. total) and \$142.4 billion in 2005 (64 percent). California contributed most to the 2006 U.S. Total Farm Expenditures, with expenses of \$29.6 billion, or 13 percent. California expenditures were up 14 percent from the revised estimate of \$25.9 billion in 2005. Texas, the next leading state, contributed 7.1 percent to the 2006 U.S. Total Farm Expenditures. States with more than \$10 billion in Total Expenditures were: California, followed by Texas with \$16.8 billion (2005 - \$15.6 billion), Iowa with \$14.6 billion (2005 - \$14.6 billion), Nebraska with \$11.5 billion (2005 - \$10.5 billion), Illinois with \$10.3 billion (2005 - \$10.0 billion), and Minnesota with \$10.1 billion (2005 - 10.0 billion). North Carolina was the only Core State to show a decline.

The U.S. Economic Sales Class contributing most to the 2006 U.S. Farm Production Expenditures was the \$1,000,000 and over class, with expenses of \$91.9 billion, 39 percent of the U.S. total. Expenditures in the \$1,000,000 and over class were up 9.9 percent from the 2005 level of \$83.6 billion. It was followed by the \$250,000 - \$499,999 class with \$33.4 billion (2005 - \$32.7 billion) and the \$500,000 - \$999,999 class with \$32.6 billion (2005 - \$29.4 billion).

The difference in Total Expenditures for Crop and Livestock farms has narrowed over the past few years. In 2006, they are almost equal, with crop farms at \$117.9 billion and livestock farms at \$117.1 billion. The average expenditure for a Crop farm was \$128,944 compared with \$100,150 per Livestock farm. The largest expenditures for Crop farms were Farm Services at \$17.2 billion and Labor at \$17.0 billion, accounting for 29 percent of their total expenses. The largest expenditures for Livestock farms were Feed, at \$29.2 billion, and Livestock and Poultry Purchases, at \$23.3 billion. These two expenditures accounted for 45 percent of their total expenses.

Total Fuels Expense, at \$10.9 billion dollars, was up 7.9 percent in 2006. Diesel, the largest sub-component, was \$6.53 billion (60 percent) of the Fuels Expense. Gas was \$2.34 billion (21 percent). LP Gas was \$1.26 billion (12 percent). Other Fuels was \$780 million (7.2 percent).

COMING IN THE NEXT REPORTER

All Hay County Estimates	Cattle on Feed
Cattle & Beef Cow County Estimates	Egg Production
Milk Production	Mushroom Production
U.S. & Canadian Cattle	Red Meat Production

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