



IN THIS ISSUE

Potato Stocks

County Crop Rank

Oil Crops Outlook

*Hay Stocks &
Winter Wheat Production*

POTATO STOCKS

North Dakota North Dakota growers, dealers and processors held 3.90 million hundredweight (cwt) of potatoes in storage on May 1, 2008, down 19 percent from a year ago but up 22 percent from two years ago. Current stocks represent 16 percent of production, down from 19 percent last year but slightly above two years ago.

Total stocks are defined as all potatoes on hand, regardless of use, including those that will be lost through future shrinkage and dumping.

Disappearance from the start of harvest to May 1 totaled 19.8 million cwt, down from 20.7 million cwt a year ago but up from 17.3 million cwt two years ago. April disappearance totaled 2.10 million cwt, down from 3.10 million cwt a year ago but equal to two years ago.

United States

The 13 major potato states held 92.7 million cwt of potatoes in storage May 1, 2008, up 17 percent from a year ago and 22 percent above May 1, 2006. Potatoes in storage accounted for 23 percent of the 2007 fall storage states' production, up 3 percentage points from last year.

Disappearance from the start of harvest to May 1 was at 307 million cwt, 1 percent below last year but up 3 percent from 2006. Shrink and loss, at 23.4 million cwt, was down 3 percent from the same period in 2007 but up 6 percent from 2006. Processors have used 158 million cwt of the 2007 potato crop so far this season, down 3 percent from last year's season-to-date usage but up 6 percent from 2 years ago. Dehydrating usage accounted for 33.4 million cwt of the total processing, down 8 percent from last year but 11 percent above the same period in 2006.

**Fall Potatoes: Production and Stocks
13 Major States and United States, May 1, 2007-2008**

State	Crop of 2006		Crop of 2007	
	Production 1,000 Cwt	Stocks May 1, 2007 ¹ 1,000 Cwt	Production 1,000 Cwt	Stocks May 1, 2008 ¹ 1,000 Cwt
North Dakota	25,480	4,800	23,660	3,900
California	3,870	450	4,223	460
Colorado	22,686	5,800	20,981	4,400
Idaho	128,915	33,000	131,650	37,000
Maine	17,980	5,300	16,530	3,950
Michigan	14,190	700	14,700	1,600
Minnesota	20,400	4,100	20,680	4,800
Montana	3,518		3,696	
Nebraska	8,730	1,400	8,051	1,000
New York	5,700		5,216	
Oregon	18,533	4,800	20,238	6,400
Washington	89,900	14,000	102,300	25,000
Wisconsin	29,370	4,000	28,160	3,700
Other States		700		500
13 State Total	389,272	79,050	400,085	92,710

¹ Missing stocks combined into "Other States".

COUNTY CROP RANK

Rank of North Dakota Counties ¹

County	Crop Production – 2007								
	Spring Wheat	Durum Wheat	Barley	Oats	Oil Sunflower	Canola	Soybeans	Corn Grain	Dry Edible Beans
Adams	27	16	40	29	31			45	
Barnes	14		39	36	33		3	7	21
Benson	17		6	27	25	14	16	15	7
Billings	53	23	47	44				50	
Bottineau	3	13	1	9	1	5	32	44	
Bowman	36	12	25	41				38	
Burke	24	4	19	7	38	10			
Burleigh	29	17	27	12	9	21	33	23	
Cass	13		46	45	34		1	2	17
Cavalier	1	22	4		18	1	24	42	9
Dickey	49			28	52		9	6	20
Divide	52	2	41	25	45	18		49	
Dunn	26	21	31	14	39			39	
Eddy	43		22	26	23	28	22	27	19
Emmons	15		24	2	2		27	14	
Foster	31		12	35	16	24	11	16	
Golden Valley	50	14	48	22	44			41	
Grand Forks	5		23	48	5		10	11	2
Grant	25			6	20			29	
Griggs	30		26	46	29		13	17	15
Hettinger	7	8	35	42	17	13		33	
Kidder	47		36	4	21	34	29	26	
LaMoure	45		45	31			5	3	18
Logan	44	30	33	17	13		23	25	
McHenry	19	24	7	3	3	11	31	24	
McIntosh	39		38	11	10		20	22	
McKenzie	36	7	30	19		25		47	
McLean	9	6	14	8	8	6		21	12
Mercer	40		27	20	32	20		37	
Morton	16	20	21	1	15	29		30	
Mountrail	35	3	9	18	35	7			29
Nelson	20		17	39	19	15	18	20	10
Oliver	42		37	13				34	
Pembina	4		29	34	30		14	19	3
Pierce	21		16	21	14	12	21	28	22
Ramsey	23	25	3		22	9	17	12	5
Ransom	41		49		50		15	10	13
Renville	12	9	2	29	7	4	34	48	
Richland	34		51		42		4	1	
Rolette	32	18	11	24	28	8	30	46	
Sargent	48						7	8	
Sheridan	33		15	15	11	16	26	35	27
Sioux	51			32	36			40	
Slope	38	11	43	36	37	30		51	
Stark	11	10	32	5	27	27		36	
Steele	28		44		41		8	9	8
Stutsman	18	36	18	16	26	26	2	4	14
Towner	10	18	8	38	24	2	25	31	11
Traill	22		41		43		6	5	6
Walsh	6		20	47	12	17	19	18	1
Ward	2	5	5	10	4	3	28	32	32
Wells	8	26	13	22	6	19	12	13	4
Williams	46	1	10	33	46	23		43	16

¹ County rank may not be published to avoid disclosure of individual data.

OIL CROPS OUTLOOK

Moderate Gains in 2008 Soybean Supply Likely With a Lower Stock Carryover

U.S. soybean production for 2008/09 is projected at 3.105 billion bushels, up 520 million bushels from last year's crop. The gains in new crop supplies are likely to be partly offset by much lower beginning stocks, forecast at 145 million bushels compared to the 2007/08 carryin of 574 million. The U.S. Department of Agriculture (USDA) forecasts a moderate decline in U.S. 2008/09 soybean exports to 1.05 billion bushels from this season's revised forecast of 1.09 billion. A 0.5 percent increase in 2008/09 domestic crush to 1.85 billion bushels is projected due to expected slowing of soybean meal consumption in the United States and elsewhere. Forecasts of weak growth in soybean demand are expected to lead to a small increase (to 185 million bushels) for 2008/09 ending stocks. USDA forecasts a record high average soybean price for 2008/09 at \$10.50-\$12.00 per bushel, up from \$10.00 in 2007/08.

DOMESTIC OUTLOOK

2008 Soybean Output To Rise Based on Acreage Increase and Yield Growth

U.S. soybean production for 2008/09 is projected at 3.105 billion bushels, up 520 million bushels from last year's crop. The increase is based on farmers following through on their intentions to plant 74.8 million acres of soybeans for an expected harvest of 73.8 million acres. This is a sharp increase from the 63.6 million acres of soybeans sown in 2007. The projected crop is also based on a projected yield of 42.1 bushels per acre, determined from a 1989-2007 U.S. yield trend. The national average yield in 2007 was 41.2 bushels per acre.

Although this year's soybean crop is expected higher, 2008/09 total supply is seen only 89 million bushels larger than the current season's. The gains in new crop supplies are likely to be offset by much lower beginning stocks of 145 million bushels, down from the 2007/08 carryin of 574 million.

U.S. Demand for Soybeans Expected Up Slightly in 2008/09

A modest increase in U.S. soybean supplies could constrain the growth of 2008/09 demand and preclude any significant improvement in the stock level. Tight global soybean stocks, which are expected down 22 percent this year, should encourage U.S. exports through next fall and winter. A continued weak dollar also supports soybean exports. A year from now, however, larger supply gains in Brazil will likely boost that country's share of world trade at the expense of U.S. billion bushels from this season's revised forecast of 1.09 billion.

Domestic soybean crushing is expected to grow only slightly in 2008/09 as consumption of soybean meal slows in the United States and elsewhere. Rising soybean costs are liable to catch up against the expected values of soybean meal and soybean oil, moderating crush margins from this year's highly profitable level. USDA's 2008/09 projection of

domestic crush is 1.85 billion bushels - a 0.5 percent increase from 2007/08. Forecast weak growth in soybean demand is expected to lead to a small increase (to 185 million from 145 million bushels) for 2008/09 ending stocks.

Delayed Start for Spring Planting Tempers the Soybean Price

Cool and wet soils throughout the Midwest this spring have brought about the slowest start to grain planting in a decade. As of May 4, only 27 percent of the U.S. corn crop had been sown, compared to the 5-year average of 59 percent. Spring wheat planting, particularly in Minnesota, is slightly delayed. Although soybean planting is also lagging (with 5 percent sown by May 4 versus the 5-year average of 14 percent), farmers have considerably more time to finish seeding that crop without a loss of yield potential. Planting delays raise the possibility that U.S. soybean acreage could expand even more, as late planted corn crops lose yield potential when their pollination period gets pushed into the hotter weeks of the summer. However, persistence of wet conditions might also delay the winter wheat harvest and scale back planting of double cropped soybeans. Recent gains for corn prices offer producers an incentive to risk planting beyond recommended dates, but high soybean prices beckon too.

Due to the potential for further gains in soybean production, futures prices have softened over the past few weeks. Cash soybean prices, however, have been less affected. While July soybean futures dropped during the second half of April from \$14 to \$12.75 per bushel, central Illinois cash prices were strengthening. The cash basis there narrowed from 65 cents below the July futures price in early April to 35 cents below by the end of April. Current prices are still well above year-ago levels. Even if prices are weakening for next fall, there are excellent opportunities this spring to make sales commitments at prices from \$12 to \$13 per bushel. USDA forecasts a record high average soybean price for 2008/09 at \$10.50-\$12.00 per bushel, versus an estimated \$10.00 per bushel for 2007/08.

Demand for Soybean Meal and Soybean Oil Likely To Slow in 2008/09

Despite higher slaughter prices this spring for broiler chickens, hogs, and cattle, feeders are bearing losses due to the rising cost of feed. Herds of cattle and hogs are likely to contract this year. In March, new placements of cattle in feedlots were down 11 percent from a year earlier. Cattle marketing this spring has accelerated and reduced the total number in feedlots on April 1 to the same level as the previous year. Hog inventories have begun to drop back from last fall's record highs. By the fall, ample meat supplies and rising feed costs could considerably dim the farrowing plans for 2009. Poultry producers could manage to eke out a small addition to flocks for the remainder of 2008 and 2009. Thus, a slight 0.7 percent increase in the 2008/09 domestic disappearance of soybean meal is projected (to 35.35 million short tons). For 2007/08, soybean meal use was forecast 200,000 tons lower this month to 35.1 million tons.

Source: *Oil Crops Outlook*, USDA-ERS, May 12, 2008

HAY STOCKS & WINTER WHEAT PRODUCTION

North Dakota

Stocks of all hay stored on North Dakota farms totaled 1.26 million tons on May 1, 2008, up 107 percent from the relatively low stocks the previous year. Disappearance of hay from December 1, 2007 – May 1, 2008, totaled 3.73 million tons, down only 36,000 tons from the same period a year ago. During the past ten years, May 1 hay stocks have ranged from a high of 1.81 million tons in 2006 to a low of 545,000 tons in 1999.

United States

Winter wheat production is forecast at 1.78 billion bushels, up 17 percent from 2007. Based on May 1 conditions, the U.S. yield is forecast at 44.3 bushels per acre, 2.1 bushels above last year. Expected grain area totals 40.2 million acres, up 12 percent from last year. The portion of the winter wheat crop rated good to excellent on April 27, at 46 percent, was 10 percentage points below a year ago.

All hay stored on farms May 1, 2008 totaled 21.6 million tons, up 44 percent from the previous year. Disappearance of hay from December 1, 2007- May 1, 2008 totaled 82.4 million tons, 1 percent more than the disappearance of 81.5 million tons for the same period a year earlier.

**Hay Stocks and Winter Wheat Production
North Dakota and United States, 2006-2008**

Item	Unit	2006	2007	2008
Winter Wheat ^{1/}				
United States				
Harvested for Grain	1,000 Acres	31,117	35,952	40,162
Yield Per Acre	Bushels	41.7	42.2	44.3
Production	1,000 Bushels	1,298,081	1,515,989	1,777,532
Hay Stocks				
North Dakota				
Quantity, May 1	1,000 Tons	1,806	609	1,260
Quantity, December 1	1,000 Tons	4,375	4,990	
United States				
Quantity, May 1	1,000 Tons	21,345	15,013	21,593
Quantity, December 1	1,000 Tons	96,555	103,986	

^{1/} 2008 winter wheat forecasted yield and production.

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