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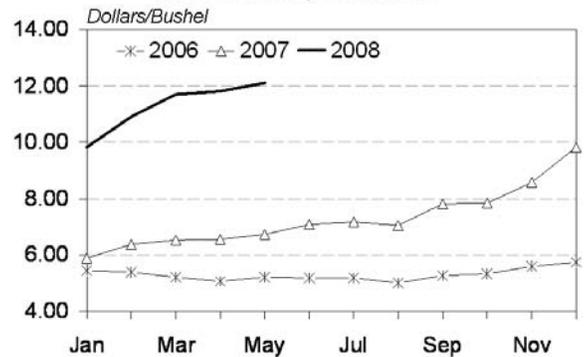
AGRICULTURAL PRICES

North Dakota
 The Index of Prices Received for All Farm Products in May is 191 percent of the 1990-1992 base. This is up 48 percent from last year and 72

percent above two years ago. The All Crops Index, at 224 percent of the base, is up 70 percent from May 2007 while the All Livestock and Products Index, at 121 percent, is down 2 percent from last year. May indexes are calculated using preliminary mid-month prices.

The April Index of Prices Received for All Farm Products, recalculated with full month prices, was 211 percent of the base, up 61 percent from April 2007. The All Crops Index, at 245 percent, was up 84 percent from the previous year while the All Livestock and Products Index, at 118 percent, was down 6 percent from April 2007.

Soybeans: Prices Received
North Dakota, 2006-2008



Prices Received by Farmers
North Dakota and United States, May 2008

Item	Unit	North Dakota			United States			Effective U.S. Parity Price May 2008
		Entire Month		Preliminary	Entire Month		Preliminary	
		May 2007	Apr 2008	May 2008	May 2007	Apr 2008	May 2008	
		<i>Dollars</i>						
Wheat, All	Bu	4.94	11.90	10.10	4.88	10.00	8.80	13.10
Durum	Bu	5.22	12.70	12.00	5.39	13.80	12.10	NA
Spring	Bu	4.92	11.90	10.00	4.98	10.50	10.20	NA
Winter	Bu	4.54	9.04	7.55	4.77	9.61	7.76	NA
Corn	Bu	3.04	4.84	5.00	3.49	5.15	5.12	8.25
Oats	Bu	2.24	2.97	3.10	2.49	3.48	3.46	5.36
Barley, All	Bu	3.02	4.38	4.46	3.12	4.54	4.76	9.01
Feed	Bu	3.04	3.68	3.68	3.20	4.65	3.98	NA
Malting	Bu	3.01	4.67	4.80	3.08	4.48	5.06	NA
Sunflower, All	Cwt	16.30	24.10	26.00	16.60	25.00	27.40	41.10
Oil	Cwt	15.60	23.70	NA	NA	NA	NA	NA
Non-oil	Cwt	17.50	24.90	NA	NA	NA	NA	NA
Baled Hay, All ¹	Ton	60.00	67.00	70.00	138.00	152.00	166.00	NA
Alfalfa ¹	Ton	65.00	70.00	73.00	145.00	157.00	177.00	NA
Other ¹	Ton	45.00	50.00	51.00	115.00	140.00	134.00	NA
Canola	Cwt	14.00	24.90	24.00	NA	24.80	24.00	37.50
Flaxseed	Bu	7.08	17.30	16.60	7.08	17.30	16.60	22.10
Soybeans	Bu	6.73	11.80	12.10	7.12	12.00	12.30	20.40
Dry Edible Beans, All	Cwt	21.90	30.20	30.40	24.40	34.40	36.30	66.40
Navy	Cwt	20.40	34.40	NA	NA	NA	NA	NA
Pinto	Cwt	22.10	29.20	NA	NA	NA	NA	NA
Potatoes, All	Cwt	7.40	7.80	7.30	7.95	8.45	9.21	20.30
Fresh ²	Cwt	5.80	9.60	NA	11.08	11.66	NA	NA
Processing	Cwt	7.00	6.50	NA	6.74	6.50	NA	NA
Beef Cattle	Cwt	81.20	83.60	80.90	92.80	86.60	90.50	250.00
Steers & Heifers	Cwt	100.00	95.00	98.00	98.10	91.60	95.40	NA
Cows	Cwt	53.00	51.00	53.00	51.70	50.50	53.10	NA
Calves	Cwt	120.00	106.00	108.00	124.00	116.00	116.00	362.00
Sheep	Cwt	27.00	25.00	NA	30.80	28.80	NA	114.00
Lambs	Cwt	99.00	95.00	NA	97.10	99.40	NA	284.00
Hogs	Cwt	53.50	44.90	NA	53.10	44.10	54.10	137.00

¹ Alfalfa, other and all hay are preliminary prices only. ² Fresh market prices only, includes table stock. NA=Not applicable.

AGRICULTURAL PRICES (Continued)

United States

The May All Farm Products Index is 150 percent of its 1990-92 base, up 3 percent from the April index and 10 percent above the May 2007 index. The All Crops Index is 172, up 2 percent from April and 23 percent above May 2007. The Food Grains Index, at 278, is 7 percent below the previous month but 74 percent above a year ago. The Feed Grains and Hay Index is 222, up 1 percent from last month and 41 percent above a year ago. The Oil Bearing Crops Index, at 221, is up 3 percent from April and 73 percent higher than May 2007. The Livestock and Products Index, at 132, is 4 percent above last month but unchanged from May 2007.

Index Numbers of Farm Prices North Dakota and United States, May 2008

Indexes and Ratios	North Dakota			United States		
	May 2007	Apr 2008	May 2008	May 2007	Apr 2008	May 2008
(1990-92 = 100)						
Prices Received						
All Farm Products	129	211	191	136	145	150
Crops	132	245	224	140	168	172
Food Grains	154	377	315	160	299	278
Feed Grains & Hay	135	193	205	158	220	222
Oil Bearing Crops ¹	125	225	224	128	215	221
Potatoes & Dry Beans ²	110	117	115	136	149	162
Livestock and Products	123	118	121	132	127	132
Meat Animals	116	112	114	124	113	122
Dairy Products	159	162	159	138	138	139
Other Livestock Products ³	130	129	130	141	148	147
Prices Paid	NA	NA	NA	161	181	184
Ratio ⁴	NA	NA	NA	84	80	82

¹ Includes non-oil sunflower. ² North Dakota includes sugarbeets. ³ United States excludes wool.
⁴ Ratio of Index of Prices Received to Index of Prices Paid.
 NA=Not applicable.

MEAT ANIMALS – PRODUCTION & INCOME

North Dakota

Cattle and calves: Cash receipts from marketings of cattle and calves during 2007 increased 2 percent from 2006 but was down 7 percent from the record high set in 2005. All cattle and calf marketings during 2007 were up 8 percent from 2006. The 2007 annual average price of cattle and calves, at \$91.70 per 100 pounds live weight (cwt) was down from \$96.70 per cwt in 2006 and the record high 2005 price of \$102.00.

Sheep and Lambs: Cash receipts from marketings of sheep and lambs in 2007 increased less than one half of

one percent from 2006. Marketings increased 16 percent from the previous year. The average annual price of sheep and lambs per cwt for 2007 fell to \$73.00 per cwt from \$84.30 in 2006.

Hogs and Pigs: Cash receipts from marketings of hogs and pigs during 2007 were up 23 percent from the previous year. Marketings were 31 percent above 2006 while the 2007 annual average price per cwt only increased to \$47.80 from \$47.40 in 2006.

Meat Animals: Production & Income, North Dakota, 2002-2007

Year	Production	Marketings	Average Price Per 100 Lbs	Value of Production	Cash Receipts	Value of Home Consumption	Gross Income
	1,000 Pounds	1,000 Pounds	Dollars	1,000 Dollars	1,000 Dollars	1,000 Dollars	1,000 Dollars
Cattle & Calves							
2002	686,606	836,925	73.10	500,095	612,180	5,402	617,582
2003	745,605	870,000	79.40	588,039	690,905	6,165	697,070
2004	763,410	799,250	92.50	702,022	738,975	7,408	746,383
2005	748,313	782,250	102.00	761,799	799,083	8,311	807,394
2006	796,116	750,740	96.70	761,769	726,132	7,231	733,363
2007	645,551	807,970	91.70	590,953	741,066	5,708	746,774
Sheep & Lambs							
2002	9,255	13,909	54.40	5,430	7,569	90	7,659
2003	7,472	10,799	71.50	6,130	7,718	82	7,800
2004	7,705	8,265	87.70	6,617	7,249	80	7,329
2005	7,655	9,398	84.60	6,821	7,949	87	8,036
2006	6,653	7,478	84.30	5,317	6,307	77	6,384
2007	6,971	8,678	73.00	5,511	6,331	75	6,406
Hogs & Pigs							
2002	79,018	82,040	36.40	31,345	32,704	386	33,090
2003	66,980	67,409	39.70	29,645	30,252	425	30,677
2004	66,934	69,628	51.40	38,920	42,112	561	42,673
2005	69,670	75,582	51.30	43,894	49,571	551	50,122
2006	64,046	67,538	47.40	38,476	41,269	516	41,785
2007	85,057	88,221	47.80	48,081	50,642	510	51,152

LIVESTOCK, DAIRY & POULTRY OUTLOOK

Total Red Meat and Poultry Production Down Slightly Next Year

Beef/Cattle: Deteriorating pasture and range conditions over much of the Plains and increasing livestock production costs are adversely affecting all cattle and beef sectors. Smaller inventories of U.S. cows, calf crops, and feeder cattle are likely in 2009 because of relatively heavy cow slaughter and apparent low levels of heifer retention thus far in 2008. Continued high demand for corn will likely lead to higher corn and feed prices, with declining profit margins, for most of 2008.

Beef/Cattle Trade: Exports are expected to increase at a faster rate with the market reopening in Korea. Beef imports are expected to drop in 2008, but pick up in 2009. The weak dollar and heavy cow slaughter will affect imports in 2008. Lower cow slaughter in 2009 will cause imports to increase next year.

Dairy: Milk production is forecast to rise only slightly in 2009. Exports on both a fats and skims/solids basis will be lower next year, limit domestic commercial use, and keep prices firm for most dairy products.

Pork/Hogs: USDA expects commercial pork production to be 22.9 billion pounds next year, 2.4 percent below the 2008 production forecast. Lower hog supplies next year should result in prices ranging between \$46 and \$50 per hundredweight (cwt) for live equivalent 51-52 percent hogs, more than 9 percent above expected prices in 2008. The 2008 pork export forecast was raised to 4.3 billion pounds, more than 37 percent above export volumes last year. The export forecast for 2009, at just under 4 billion pounds (3.985 billion), is 7.5 percent below export expectations for 2008, reflecting the assumption that China will succeed this year in bringing its swine disease problems under control.

Poultry: Broiler production is expected to increase only slightly in 2009, after an expected increase of 2 percent in 2008. With higher feed and energy costs impacting both growing and processing costs, broiler integrators will have little incentive to expand production. Little or no growth in broiler production is expected in the second half of 2008 and the first half of 2009. Broiler production is expected to increase in the second half of 2009 in response to rising prices. Exports of broiler and turkey products are expected to hit record highs in both 2008 and 2009, benefiting from their enhanced competitiveness on world markets due to the decline of the dollar.

Poultry Trade: U.S. broiler and turkey shipments were up in first-quarter 2008 from a year earlier. U.S. broiler shipments for the first quarter of 2008 totaled 1.5 billion pounds, up 18 percent from first-quarter last year. U.S. turkey shipments totaled 148 million pounds for the first 3 months of 2008, up 19 percent from a year earlier. U.S. boiler shipments for March 2008 totaled 544 million pounds, an increase of 28 percent from last year. March turkey shipments totaled 52 million pounds, an increase of 19 percent from March 2007.

Higher Feed Costs and Lower Cattle Inventories Likely Ahead

Farmers intend to plant 8 percent less corn acreage in 2008 than in the 2007 growing season. Corn is still the major ethanol feedstock in the United States. Increased demand for corn, due to Federal mandates for increased ethanol production, mean livestock producers will face higher prices for corn and other feeds. Along with the increased demands for corn for ethanol and feed, weather will be a significant factor in determining cattle and beef price movements for the remainder of 2008. The current outlook for 2008 and 2009 assumes normal precipitation patterns, but Corn Belt corn planting has been delayed due to wet soil conditions. At the same time, dry conditions are evident in the short-grass areas of the Plains States, and dry conditions persist in the Appalachian region.

Total January 1, 2008 cow inventories registered declines to levels not observed since the mid-1950s. Even with normal precipitation patterns during 2008, inventories could be smaller on January 1, 2009 than January 1, 2008, because high rates of cow slaughter during the latter half of 2007 appear to be continuing into the first half of 2008, even after accounting for imports of slaughter cows from Canada that resumed in November 2007. Dry conditions in the major cow-calf areas mentioned above and declining cow-calf profit margins, due to falling calf prices and increasing production costs, are supporting the cow slaughter rate. Calf crops will shrink accordingly, which will translate into smaller inventories of feeder cattle for placement in feedlots in 2009 and 2010. Beef cow slaughter rates should moderate and exhibit more normal patterns as pastures begin to develop this spring. Dairy cow slaughter rates, having returned to more typical patterns in late 2007, should average slightly above historical rates. Cow prices have also received help from the weak dollar, which has made imported beef more costly, so that the heavy rates of commercial cow slaughter have had little negative effect on cow prices.

Smaller supplies of feeder cattle as a result of smaller calf crops in 2008 and 2009 and retention of heifer calves for cow-herd replacement could lead to reduced veal production in both years. Currently, relatively large numbers of veal calves are being slaughtered at light weights. As a result, veal production is running about 15 percent below year-earlier levels, although calf slaughter is only a few percentage points below year-earlier, as measured on a weekly basis through May 9, 2008. If pasture-related demand for feeder calves materializes this spring, higher prices for scarce supplies of feeder cattle could result in a shift of end-use of dairy calves for veal production to their being raised as stocker cattle that eventually enter feedlots and are marketed as fed cattle. This could lead to increased average veal slaughter weights and reduced veal slaughter as dairy calves move into stocker channels.

Higher feeding costs will lead to larger cattle-feeding losses and reduced demand for feeder cattle from the feedlot sector. As we move toward 2009, there may be opposing pressures on feeder cattle prices, especially prices for lighter weight feeder cattle, as upward price pressure from pasture demand offsets downward pressure from declining demand from cattle feeders for increasingly scarce supplies of feeder cattle.

Source: *Livestock, Dairy & Poultry Outlook, USDA-ERS, May 16, 2008*

FARM LABOR

Northern Plains

During the week of April 6-12, 2008, farm operators paid hired workers an average of \$11.00 per hour in the Northern Plains region of Kansas, Nebraska, North Dakota and South Dakota. This compares with \$10.63 per hour during April 8-14, 2007. Paid workers with fieldwork responsibilities averaged \$10.73 per hour during the 2008 period and livestock workers averaged \$10.20.

United States

Farm operators paid their hired workers an average wage of \$10.60 per hour during the April 2008 reference week, up 40 cents from a year earlier. Field workers received an average of \$9.65 per hour, up 30 cents from last April, while livestock workers earned \$10.32 per hour compared with \$9.59 a year earlier.

**Hired Workers: Wages Rates by Type of Worker
Northern Plains and United States ¹**

Item	Northern Plains ²		United States ³	
	April 8-14, 2007	April 6-12, 2008	April 8-14, 2007	April 6-12, 2008
	<i>Dollars per Hour</i>	<i>Dollars per Hour</i>	<i>Dollars per Hour</i>	<i>Dollars per Hour</i>
All Farm Workers	10.63	11.00	10.20	10.60
Field	10.04	10.73	9.35	9.65
Livestock	9.75	10.20	9.59	10.32
Field and Livestock	9.91	10.40	9.42	9.87

¹ Excludes agricultural service workers. ² Northern Plains includes Kansas, Nebraska, North Dakota and South Dakota. ³ Excludes AK.



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