



Farm Report

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Cooperating with Ohio Department of Agriculture
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FEATURING:

Crop Production Farm Expenditures Ag Prices Supply/Demand

OHIO FORECASTED CORN YIELD UP 7 BUSHELLS FROM AUGUST, BUT 9 BUSHELLS BELOW THE 2006 STATE AVERAGE

Based on conditions as of September 1, Ohio's average **corn** yield is forecast at 150 bushels per acre, up 7 bushels from the August 1 forecast but 9 bushels below last year's state record of 159 bushels per acre. Total production is forecast at 567.0 million bushels, up 20 percent from 2006. If realized, this will be the largest amount ever produced in the Buckeye State. Growers expect to harvest 3.78 million acres for grain in 2007, 820,000 acres more than in 2006.

Soybean yield is forecast at 44 bushels per acre, unchanged from the August 1 forecast but down 3 bushels from the 2006 state average. Total soybean production for Ohio is forecast at 175.1 million bushels, down 19 percent from the previous year. Harvested acreage is forecast at 3.98 million acres, down 640,000 from 2006.

Ohio's 2007 **burley tobacco** yield is forecast at 1,800 pounds per acre, down 200 pounds from the 2006 average state yield. Total production is forecast at 5.94 million pounds from an expected 3,300 harvested acres.

U.S. corn production is forecast at 13.3 billion bushels, up 2 percent from last month and 26 percent above 2006. Based on conditions as of September 1, yields are expected to average 155.8 bushels per acre, up 3.0 bushels from August and 6.7 bushels above last year. If realized, this would be the second highest yield on record, behind the 160.4 bushel yield in 2004. Production would be the largest on record as growers expect to harvest the most corn acres for grain since 1933. Expected yields are higher than last month across the northern and central

Great Plains and Corn Belt where heavy rainfall during the month provided much-needed moisture for the crop. Yield forecasts in the southern Great Plains and Delta are also higher than last month as early harvest results are better than anticipated. Yields are unchanged or lower than August across much of the Northeast and Mid-Atlantic States.

U.S. soybean production is forecast at 2.62 billion bushels, down slightly from the August forecast and down 18 percent from last year's record high. Based on September 1 conditions, yields are expected to average 41.4 bushels per acre, down 0.1 bushel from last month and down 1.3 bushels from last year. Compared with last month, yields are forecast lower across the central Corn Belt, the Tennessee Valley, and the Southeast. Hot, dry conditions contributed to most of the decline, especially in Kentucky and Tennessee, down 8 bushels and 9 bushels from last month, respectively. However, yields increased from the August 1 forecast in the northern Great Plains and northwestern Corn Belt, as beneficial rains fell during the month of August.

U.S. burley production is expected to total 198 million pounds, down 6 percent from the August forecast and 9 percent below last year. Burley growers plan to harvest 105,200 acres, unchanged from last month's forecast but up 2 percent from 2006. Yields are expected to average 1,878 pounds per acre, 128 pounds below the August forecast and down 217 pounds from a year ago.

OHIO AND UNITED STATES, SEPTEMBER 1, 2007, WITH COMPARISONS

CROP	Harvested Acres		UNIT	Yield Per Acre		Production	
	2006	2007		2006	2007	2006	2007
	Thousands					Thousands	
OHIO							
Corn for Grain	2,960	3,780	bu.	159.0	150.0	470,640	567,000
Soybeans for Beans	4,620	3,980	bu.	47.0	44.0	217,140	175,120
Winter Wheat	960	780	bu.	68.0	64.0	65,280	49,920
Oats	55	60	bu.	75.0	57.0	4,125	3,420
Alfalfa Hay	470	430	ton	3.50	2.50	1,645	1,075
All Other Hay	740	700	ton	2.40	2.00	1,776	1,400
Tobacco, All	3.5	3.3	lb.	2,000	1,800	7,000	5,940
Apples	-	-	lb.	-	-	102,000	55,000
Grapes	-	-	ton	-	-	3.1	8.0
UNITED STATES							
Corn for Grain	70,648	85,418	bu.	149.1	155.8	10,534,868	13,307,999
Soybeans for Beans	74,602	63,265	bu.	42.7	41.4	3,188,247	2,618,796
Winter Wheat	31,117	37,188	bu.	41.7	41.3	1,298,081	1,537,262
Oats	1,576	1,612	bu.	59.5	61.0	93,764	98,341
Alfalfa Hay	21,384	21,451	ton	3.35	3.26	71,666	69,904
All Other Hay	39,423	40,338	ton	1.78	1.87	70,000	75,347
Tobacco, All	338.9	355.1	lb.	2,144	2,023	726,644	718,375
Apples	-	-	lb.	-	-	9,931,700	9,284,700
Grapes	-	-	ton	-	-	6,417.2	6,988.5

Corn for Grain: Plant population per Acre, Selected States, 2003-07

State	Month	2003	2004	2005	2006	2007
		Number	Number	Number	Number	Number
IL	Sept	27,150	27,750	28,000	28,050	28,000
	Nov	27,050	27,700	28,000	28,000	-
IN	Sept	26,050	26,650	25,300	26,450	27,350
	Nov	25,900	26,500	25,200	26,350	-
IA	Sept	27,400	28,000	28,050	28,600	29,100
	Nov	27,250	27,850	28,000	28,600	-
MN	Sept	28,700	29,300	28,400	28,850	29,850
	Nov	28,800	29,250	28,400	28,900	-
NE	Sept	23,800	24,100	23,900	24,750	25,000
	Nov	23,700	24,050	23,700	24,600	-
OH	Sept	25,900	26,950	25,650	26,250	26,900
	Nov	25,900	26,650	25,600	26,200	-
WI	Sept	27,300	27,700	27,400	27,250	28,800
	Nov	27,100	25,550	27,050	27,450	-

MIDWEST PRODUCTION EXPENDITURES UP 2.0 PERCENT IN 2006

Farm production expenditures in the Midwest Region totaled 64.7 billion, up 2.0 percent from 2005 according to the National Agricultural Statistics Service (NASS), USDA. In the Midwest Region, 9 of the 17 expenditure categories increased from the 2005 level. The categories containing the largest expenditure increases from 2005 to 2006 were interest (up 11.1 percent), taxes (up 10.7 percent), fuels (up 10.1 percent), livestock, poultry and related expenses (up 9.7 percent), rent (up 8.8 percent), farm supplies and repairs (up 3.6 percent), seeds and plants (up 2.9 percent), fertilizer, lime and soil conditioners (up 1.6 percent) and labor (up 0.6 percent). Eight expenditure categories decreased from 2005 to 2006: Miscellaneous capital expenses (down 22.2 percent), tractors and self-propelled farm machinery (down 15.7 percent), other farm machinery (down 10.8 percent), trucks and autos (down 6.4 percent), farm improvements and construction (down 3.8 percent), farm services (down 3.0 percent), agricultural chemicals (down 2.1 percent), and feed (down 0.2 percent). The Midwest's largest expense items in 2006 were rent (12.8 percent), farm services (10.5 percent), feed (10.1 percent), livestock, poultry, and related expenses (8.2 percent), and fertilizer, lime and soil conditioners (7.7 percent). The average expenditures per Midwest Region's farm in 2006 were \$106,153 compared to \$103,862, for 2005. On the average, Midwest Region farm operations in 2006 spent \$13,634 on rent; \$11,107 on farm services; \$10,730 on feed; \$8,121 on fertilizer,

lime, and soil conditioners and \$8,696 on livestock, poultry and related expenses. The estimates for 2005 indicated that Midwest Region farms spent an average of \$12,502 on rent; \$11,422 on farm services; \$10,718 on feed; \$7,969 on fertilizer, lime, and soil conditioners; and \$7,904 on livestock, poultry and related expenses.

U.S. farm production expenditures¹ 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 16.7 percent; taxes, up 12.5 percent; interest, up 10.3 percent; feed, up 8.9 percent; and fuels, up 7.9 percent. The four largest expenditures at the U.S. level accounted for 48 percent of total farm production expenditures in 2006. They were farm services, 13.3 percent; feed, 13 percent; livestock and poultry purchases, 10.7 percent; and labor, 10.6 percent. The average expenditures per U.S. farm in 2006 were \$112,788 compared to \$106,423 as revised for 2005. On the average, U.S. farm operations in 2006 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 indicated 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.

2005 & 2006 Regional and United States Farm Production Expenditures

Midwest Region (IL, IN, IA, MI, MN, MO, OH and WI)	Midwest Region		U.S. ^{1/}	
	2005 ^{1/2/}	2006	2005 ^{1/2/}	2006
	Million Dollars			
Total Farm Production Expenditures ^{2/3/}	63,470	64,700	222,940	235,010
Livestock, Poultry & Related Expenses ^{4/}	4,830	5,300	21,600	25,200
Feed	6,550	6,540	28,000	30,500
Farm Services ^{5/}	6,980	6,770	29,600	31,200
Rent ^{6/}	7,640	8,310	17,100	18,300
Agricultural Chemicals ^{7/}	2,870	2,810	8,800	8,800
Fertilizer, Lime & Soil Conditioners ^{7/}	4,870	4,950	12,800	13,300
Interest	3,240	3,600	9,700	10,700
Taxes (Real Estate & Property)	2,700	2,990	8,000	9,000
Labor	3,570	3,590	24,000	24,800
Fuels	2,780	3,060	10,100	10,900
Farm Supplies & Repairs ^{8/}	3,580	3,710	12,600	13,300
Farm Improvements & Construction ^{9/10/}	3,720	3,580	12,700	12,700
Tractors & Self-Propelled Farm Machinery	3,190	2,690	8,500	7,300
Other Farm Machinery	1,660	1,480	4,100	3,800
Seeds & Plants ^{11/}	4,110	4,230	10,400	11,000
Trucks & Autos	1,090	1,020	4,700	4,000
	90	70	240	210

1/ Excludes AK & HI. 2/ Total includes production costs not allocated to any of the 16 expense categories published. 3/ Includes landlord and contractor share of farm production expenses. 4/ Includes purchases and leasing of livestock and poultry. 5/ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. 6/ Includes public and private grazing fees. 7/ Includes material and application costs. 8/ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. 9/ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. 10/ Changed to include operator dwelling expenses (if dwelling is owned by operation) in 2004. 11/ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

OHIO WITNER WHEAT PRICES CONTINUE TO RISE

The August winter wheat price for Ohio was \$5.59 per bushel, up 70 cents from July and \$2.57 above the August 2006 average price of \$3.02. The State's August soybean price of \$7.68 per bushel was down 20 cents from July, but \$2.25 above what was received at the same time last year. Ohio's August corn price of \$3.20 per bushel was down 13 cents from July but \$1.08 above the previous August price of \$2.12 per bushel. The alfalfa hay price in August of \$160.00 per ton was unchanged from July but \$49.00 per ton higher than the price received one year ago. Other hay at \$107.00 per ton was up \$4.00 from July and \$35.00 above the price received last year at this time.

The August beef cattle price in Ohio of \$86.00 per cwt was unchanged from July and \$2.60 per cwt higher than the August 2006 average price. The steer and heifer price of \$90.00 per cwt was down 10 cents from July but \$2.40 per cwt higher than the August 2006 average price. The August cow price of \$50.00 per cwt was up \$1.00 from July and \$4.40 higher than the price received a year ago. Calves, at \$106.00 per cwt were down \$5.00 from July and \$15.00 below the previous August price. Ohio's August hog price of \$51.20 per cwt was up 90 cents from July and \$1.80 more than was received the previous August. The August sow price of \$36.00 per cwt was down 70 cents from July, but \$1.30 higher than the August 2006 average price. The August barrow and gilt price of \$52.00 per cwt was up \$1.00 from the

previous month, and \$1.50 more than was received in August 2006. The August milk price of \$22.80 per cwt was up 50 cents from July and \$10.10 higher than the August 2006 price of \$12.70 per cwt. The August egg price of 75.3 cents per dozen was down 13.7 cents from July but 33.3 cents higher than the August 2006 price.

The preliminary All Farm Products Index of Prices Received by Farmers in August, at 139 percent, based on 1990-92=100, decreased 2 points (1.4 percent) from July. The Crop Index is down 2 points (1.4 percent) and the Livestock Index decreased 1 point (0.7 percent). Producers received lower prices for onions, corn, broilers, and eggs. Higher commodity prices were received for wheat, cattle, strawberries, and broccoli. The overall index is also affected by the seasonal change based on a 3-year average mix of commodities producers sell. Increased average marketings of cattle, grapes, calves, and sweet corn offset decreased marketings of wheat, hay, milk, and broilers.

The preliminary All Farm Products Index is up 20 points (17 percent) from August 2006. The Food Commodities Index, at 142, decreased 1 point (0.7 percent) from last month but increased 19 points (15 percent) from August 2006.

AGRICULTURAL PRICES, OHIO AND UNITED STATES, AUGUST 2007 WITH COMPARISONS

Commodity ^{1/}	Unit	OHIO			US
		August 2006	July 2007	August 2007	August 2007
Winter Wheat	Bu.\$	3.02	4.89	5.59	5.85
Corn	Bu.\$	2.12	3.33	3.20	3.17
Soybeans	Bu.\$	5.43	7.88	7.68	7.49
Oats	Bu.\$	1.36	1.51	^{4/}	2.25
All Hay	Ton \$	101.00	138.00	141.00	132.00
Alfalfa hay	Ton \$	111.00	160.00	160.00	137.00
Other Hay	Ton \$	72.00 ^{5/}	103.00 ^{5/}	107.00 ^{5/}	118.00
Potatoes	Cwt \$				7.98
Apples	Lb.\$	0.420	0.425	0.515	0.326
Hogs	Cwt \$	49.40	50.30	51.20	53.20
Sows	Cwt \$	34.70	36.70	36.00	36.00
Barrows & Gilts	Cwt \$	50.50	51.00	52.00	54.10
All Beef	Cwt \$	83.40	86.00	86.00	90.50
Cows	Cwt \$	45.60	49.00	50.00	51.50
Steers & heifers	Cwt \$	87.60	90.10	90.00	94.40
Calves	Cwt \$	121.00	111.00	106.00	129.00
Sheep	Cwt \$	29.20	27.80	-	-
Lambs	Cwt \$	84.30	95.00	-	-
Milk sold to plants	Cwt \$	12.70	22.30	22.80	21.70
Milk for fluid use	Cwt \$	12.80	22.50	-	21.70
Milk of mfg. grade	Cwt \$	11.40	18.00	-	20.30
Eggs ²	Doz \$	0.420	0.890	0.753	0.716
FEED PRICE RATIOS					
Hog-corn ratio ^{3/}		23.3	15.1	16.0	16.8

^{1/} Monthly average except for current month. Current month is mid-month price. ^{2/} Fresh market (table) eggs. ^{3/} Bushels of corn equal in value to 100 pounds of hogs live weight. ^{4/} Insufficient sales to establish a price. ^{5/} Estimates discontinued in 2005.

SEPTEMBER U.S. SUPPLY AND DEMAND ^{1/}

	Corn		Wheat		Soybeans	
	2006/07	2007/08 ^{2/}	2006/07	2007/08 ^{2/}	2006/05	2007/08 ^{2/}
	Million Bushels					
Beginning Stocks	1,967	1,142	571	456	449	555
Production	10,535	13,308	1,812	2,114	3,188	2,619
Imports	10	15	122	85	8	6
Total Supply	12,512	14,465	2,505	2,655	3,646	3,180
Domestic Use	9,250	10,540	1,141	1,193	1,976	1,989
Exports	2,120	2,250	909	1,100	1,115	975
Total Use	11,370	12,790	2,049	2,293	3,091	2,964
Ending Stocks, Total	1,142	1,675	456	362	555	215
Average Price (\$/bu.)	3.03	2.80-3.40	4.26	5.50-6.10	6.40	7.35-8.35

1/ From World Agricultural Supply and Demand Estimates, ERS, FAS, USDA. 2/ Projected.

U.S. INDEX SUMMARY TABLE

Index 1990-92=100	2006		2007	
	July	August	July	August
Prices Received	117	119	141	139
Prices Paid	149	149	158	158
Ratio ^{1/}	79	80	89	88

1/ Ratio of index of prices received by farmers to index of prices paid.

Address Service Requested

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UNITED STATES DEPARTMENT OF AGRICULTURE

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