



Farm Report

Issue 17 September 17, 2008

Cooperating with Ohio Department of Agriculture
P.O. Box 686, Reynoldsburg, Ohio 43068
(614) 728-2100 · (614) 728-2206 FAX · www.nass.usda.gov

FEATURING: Crop Production Farm Expenditures Ag Prices Supply/Demand

OHIO FORECASTED CORN YIELD DOWN 8 BUSHEL FROM AUGUST, BUT 2 BUSHEL ABOVE THE 2007 STATE AVERAGE

Based on conditions as of September 1, Ohio's average **corn** yield is forecast at 152 bushels per acre, down 8 bushels from the August 1 forecast but 2 bushels above last year's state yield of 150 bushels per acre. Total production is forecast at 478.8 million bushels, down 12 percent from 2007. Growers expect to harvest 3.15 million acres for grain in 2008, 460,000 acres less than in 2007.

Soybean yield is forecast at 42 bushels per acre, down 3 bushels from the August 1 forecast and down 5 bushels from the 2007 state average. Total soybean production for Ohio is forecast at 192.4 million bushels, down 1 percent from the previous year. Harvested acreage is forecast at 4.58 million acres, up 450,000 from 2007.

Ohio's 2008 **burley tobacco** yield is forecast at 1,950 pounds per acre, down 100 pounds from the 2007 average state yield. Total production is forecast at 6.05 million pounds from an expected 3,100 harvested acres.

U.S. corn production is forecast at 12.1 billion bushels, down 2 percent from last month and 8 percent below 2007. Based on conditions as of September 1, yields are expected to average 152.3 bushels per acre, down 2.7 bushels from August but 1.2 bushels above last year. If realized, yield will be the second highest on record, behind 2004, while production will be the second largest, behind last year. Yield forecasts are lower than

last month across the northern and eastern Corn Belt and the Ohio and Tennessee Valleys where the lack of rainfall during August reduced soil moisture supplies and stressed the crop. Yield prospects also decreased across much of the middle Mississippi Valley and adjacent areas of the Great Plains as dry weather during August eliminated soil moisture surpluses.

U.S. soybean production is forecast at 2.93 billion bushels, down 1 percent from the August forecast but up 13 percent from last year. If realized, this will be the fourth largest production on record. Based on September 1 conditions, yields are expected to average 40.0 bushels per acre, down 0.5 bushel from last month and down 1.2 bushels from 2007. Compared with last month, yields are forecast lower or unchanged in the Mid-Atlantic States, the central and eastern Corn Belt, Louisiana, Nebraska, and South Dakota. Yields increased or are unchanged from the August 1 forecast across the Southeast and the remainder of the Great Plains.

U.S. burley production is expected to total 196.7 million pounds, down 2 percent from the August forecast and 5 percent below last year. Burley growers plan to harvest 95,950 acres, down 500 acres from last month's forecast and down 10 percent from 2007. Yields are expected to average 2,050 pounds per acre, 21 pounds below the August forecast but up 99 pounds from a year ago.

OHIO AND UNITED STATES, SEPTEMBER 1, 2008, WITH COMPARISONS

CROP	Harvested Acres		UNIT	Yield Per Acre		Production	
	2007	2008		2007	2008	2007	2008
	Thousands					Thousands	
OHIO							
Corn for Grain	3,610	3,150	bu.	150.0	152.0	541,500	478,800
Soybeans for Beans	4,130	4,580	bu.	47.0	42.0	194,110	192,360
Winter Wheat	730	1,050	bu.	63.0	68.0	45,990	71,400
Oats	55	60	bu.	62.0	70.0	3,410	4,200
Alfalfa Hay	430	550	ton	3.3	3.3	1,419	1,815
All Other Hay	720	710	ton	2.10	2.80	1,512	1,988
Tobacco, All	3.5	3.1	lb.	2,050	1,950	7,175	6,045
Apples	-	-	lb.	-	-	55,600	95,000
Grapes	-	-	ton	-	-	7.6	8.5
UNITED STATES							
Corn for Grain	86,542	79,290	bu.	151.1	152.3	13,073,893	12,072,365
Soybeans for Beans	62,820	73,341	bu.	41.2	40.0	2,585,207	2,933,888
Winter Wheat	35,952	40,252	bu.	42.2	46.6	1,515,989	1,874,857
Oats	1,505	1,443	bu.	60.9	62.3	91,599	89,897
Alfalfa Hay	21,670	20,778	ton	3.35	3.41	72,575	70,944
All Other Hay	39,955	39,661	ton	1.95	1.94	77,729	77,011
Tobacco, All	356.0	356.0	lb.	2,191	2,289	779,899	814,907
Apples	-	-	lb.	-	-	9,113,900	9,165,200
Grapes	-	-	ton	-	-	7,018.0	7,195.1

Corn for Grain: Plant population per Acre, Selected States, 2004-08

State	Month	2004	2005	2006	2007	2008
		Number	Number	Number	Number	Number
IL	Sept	27,750	28,000	28,050	28,000	29,150
	Nov	27,700	28,000	28,000	28,100	-
IN	Sept	26,650	25,300	26,450	27,350	28,500
	Nov	26,500	25,200	26,350	27,350	-
IA	Sept	28,000	28,050	28,600	29,100	29,300
	Nov	27,850	28,000	28,600	29,100	-
MN	Sept	29,300	28,400	28,850	29,850	30,150
	Nov	29,250	28,400	28,900	29,750	-
NE	Sept	24,100	23,900	24,750	25,000	24,500
	Nov	24,050	23,700	24,600	25,000	-
OH	Sept	26,950	25,650	26,250	26,900	27,750
	Nov	26,650	25,600	26,200	26,600	-
WI	Sept	27,700	27,400	27,250	28,800	28,800
	Nov	27,550	27,050	27,450	28,800	-

MIDWEST PRODUCTION EXPENDITURES UP 14.4 PERCENT IN 2007

Farm production expenditures in the Midwest Region totaled 74.4 billion, up 14.4 percent from 2006 according to the National Agricultural Statistics Service (NASS), USDA. In the Midwest Region, 16 of the 17 expenditure categories increased from the 2006 level. The categories containing the largest expenditure increases from 2006 to 2007 were fertilizer, lime and soil conditioners (up 34.7 percent), feed (up 27.3 percent), labor (up 24.5 percent), fuels (up 20.8 percent), farm services (up 19.6 percent), seeds and plants (up 18.2 percent), farm supplies and repairs (up 17.2 percent), agricultural chemicals (up 16.1 percent) and miscellaneous capital expenditures (up 14.3 percent). Only one expenditure category decreased from 2006 to 2007: Livestock, poultry and related expenses (down 4.5 percent). The Midwest's largest expense items in 2007 were rent (11.3 percent), farm services (11.2 percent), feed (11.2 percent), fertilizer, lime and soil conditioners (9.0 percent), and livestock, poultry and related expenses (6.9 percent). The average expenditures per Midwest Region's farm in 2007 were \$122,445 compared to \$106,710, for 2006. On the average, Midwest Region farm operations in 2007 spent \$13,856 on rent; \$13,773 on farm services; \$13,658 on feed; \$10,976 on fertilizer, lime, and soil conditioners and \$8,475 on livestock, poultry and related expenses. The estimates for 2006 indicated that Midwest Region farms spent an average of \$13,634 on rent; \$11,485 on farm

services; \$10,697 on feed; \$8,121 on fertilizer, lime, and soil conditioners; and \$8,843 on livestock, poultry and related expenses.

U.S. farm production expenditures totaled \$260 billion in 2007, up 9.3 percent from the revised 2006 total of \$238 billion. The largest contributors to the increase were: fertilizer, lime and soil conditioners (up 25.6 percent), farm services (up 21.3 percent), fuels (up 14.4 percent), agricultural chemicals (up 11.1 percent), and tractors and self propelled farm machinery (up 11.0 percent). The four largest expenditures at the U.S. level accounted for 48 percent of total farm production expenditures in 2007. They were feed (14.7 percent), farm services (13.2 percent), livestock, poultry and related expenses (10.3 percent), and labor (10.0 percent). The average expenditures per U.S. farm in 2007 were \$125,648 compared to \$114,186 as revised for 2006. On the average, U.S. farm operations in 2007 spent \$18,412 on feed; \$16,575 on farm services; \$12,903 on livestock, poultry and related expenses; \$12,564 on labor; and \$8,988 on rent. Revised estimates for 2006 indicated U.S. farms spent an average of \$15,077 on feed; \$15,365 on farm services; \$12,532 on livestock, poultry and related expenses; \$11,764 on labor; and \$8,787 on rent.

2006 & 2007 Regional and United States Farm Production Expenditures

Midwest Region (IL, IN, IA, MI, MN, MO, OH and WI)	Midwest Region		U.S. ¹	
	2006/ ¹⁰	2007	2006/ ¹⁰	2007
	Million Dollars			
Total Farm Production Expenditures ²	65,040	74,410	237,810	260,010
Livestock, Poultry & Related Expenses ³	5,390	5,150	26,100	26,700
Feed	6,520	8,300	31,400	38,100
Farm Services ⁴	7,000	8,370	32,000	34,300
Rent ⁵	8,310	8,420	18,300	18,600
Agricultural Chemicals ⁶	2,860	3,320	9,000	10,000
Fertilizer, Lime & Soil Conditioners ⁶	4,950	6,670	13,300	16,700
Interest	3,600	3,870	10,700	11,500
Taxes (Real Estate & Property)	2,990	3,200	9,000	9,800
Labor	3,590	4,470	24,500	26,000
Fuels	3,070	3,710	11,100	12,700
Farm Supplies & Repairs ⁷	3,730	4,370	13,400	14,300
Farm Improvements & Construction ⁸	3,520	3,920	12,700	13,100
Tractors & Self-Propelled Farm Machinery	2,690	2,880	7,300	8,100
Other Farm Machinery	1,490	1,580	3,900	4,000
Seeds & Plants ⁹	4,280	5,060	11,000	11,900
Trucks & Autos	980	1,040	3,900	4,000
Miscellaneous Capital Expenditures	70	80	210	210

1/ Excludes AK & HI. 2/ Includes landlord and contractor share of farm production expenses. 3/ Includes purchases and leasing of livestock and poultry. 4/ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. 5/ Includes public and private grazing fees. 6/ Includes material and application costs. 7/ 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. 8/ 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. 9/ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. 10/ Revised.

OHIO WINTER WHEAT PRICES CONTINUE TO RISE

The August winter wheat price for Ohio was \$6.15 per bushel, up 6 cents from July and 20 cents above the August 2007 average price of \$5.95. The State's August soybean price of \$12.00 per bushel was down \$1.70 from July, but \$4.16 above what was received at the same time last year. Ohio's August corn price of \$4.86 per bushel was down 70 cents from July but \$1.53 above the previous August price of \$3.33 per bushel. The alfalfa hay price in August of \$185.00 per ton was down \$19.00 from July but \$25.00 per ton higher than the price received one year ago. Other hay at \$80.00 per ton was up \$4.00 from July, but \$27.00 below the price received last year at this time.

The August beef cattle price in Ohio of \$90.10 per cwt was up 60 cents from July and \$2.20 per cwt higher than the August 2007 average price. The steer and heifer price of \$94.00 per cwt was up 50 cents from July and \$1.80 per cwt higher than the August 2007 average price. The August cow price of \$55.00 per cwt was up \$2.00 from July and \$6.00 higher than the price received a year ago. Calves, at \$98.00 per cwt were down \$1.00 from July and \$11.00 below the previous August price. Ohio's August hog price of \$56.60 per cwt was up \$4.90 from July and \$7.30 more than was received the previous August. The August sow price of \$34.00 per cwt was up \$14.70 from July, but \$2.30 lower than the August 2007 average price. The August barrow and gilt price of \$58.00

per cwt was up \$4.20 from the previous month, and \$7.70 more than was received in August 2007. The August milk price of \$19.80 per cwt was down 90 cents from July and \$2.70 lower than the August 2007 price of \$22.50 per cwt. The August egg price of 79.1 cents per dozen was up 12.1 cents from July but 3.8 cents higher than the August 2007 price.

The preliminary All Farm Products Index of Prices Received by Farmers in August, at 155 percent, based on 1990-92=100, decreased 4 points (2.5 percent) from July. The Crop Index is down 7 points (3.8 percent) and the Livestock Index declined 1 point (0.7 percent). Producers received lower prices for corn, broilers, soybeans, and milk. Higher prices were realized for wheat, hogs, eggs, and strawberries. In addition to prices, the overall index is also affected by the seasonal change based on a 3-year average mix of commodities producers sell. Increased monthly marketings of cattle, grapes, sweet corn, and potatoes offset decreased marketings of wheat, hay, milk, and broilers.

The preliminary All Farm Products Index is up 16 points (12 percent) from August 2007. The Food Commodities Index, at 153, decreased 3 points (1.9 percent) from last month but increased 11 points (7.7 percent) from August 2007.

AGRICULTURAL PRICES, OHIO AND UNITED STATES, AUGUST 2008 WITH COMPARISONS

Commodity ^{1/}	Unit	OHIO			US
		August 2007	July 2008	August 2008	August 2008
Winter Wheat	Bu.\$	5.95	6.09	6.15	7.70
Corn	Bu.\$	3.33	5.56	4.86	4.90
Soybeans	Bu.\$	7.84	13.70	12.00	12.10
Oats	Bu.\$	1.88	^{5/}	^{4/}	3.17
All Hay	Ton \$	141.00	143.00	144.00	165.00
Alfalfa hay	Ton \$	160.00	204.00	185.00	180.00
Other Hay	Ton \$	107.00	76.00	80.00	126.00
Apples	Lb.\$	0.515	0.550	0.525	0.534
Hogs	Cwt \$	49.30	51.70	56.60	59.70
Sows	Cwt \$	36.30	19.30	34.00	33.10
Barrows & Gilts	Cwt \$	50.30	53.80	58.00	66.10
All Beef	Cwt \$	87.90	89.50	90.10	96.10
Cows	Cwt \$	49.00	53.00	55.00	57.60
Steers & heifers	Cwt \$	92.20	93.50	94.00	100.00
Calves	Cwt \$	109.00	99.00	98.00	114.00
Sheep	Cwt \$	28.90	26.10	-	26.90
Lambs	Cwt \$	88.20	99.30	-	103.00
Milk sold to plants	Cwt \$	22.50	20.70	19.80	18.50
Milk for fluid use	Cwt \$	22.70	20.80	-	19.40
Milk of mfg. grade	Cwt \$	17.70	17.70	-	18.90
Eggs ²	Doz \$	0.753	0.670	0.791	0.815
FEED PRICE RATIOS					
Hog-corn ratio ^{3/}		14.80	9.30	11.65	12.18

^{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/} Price not published to avoid disclosure of individual firms.

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

	Corn		Wheat		Soybeans	
	2007/08	2008/09 ^{2/}	2007/08	2008/09 ^{2/}	2007/06	2008/09 ^{2/}
	Million Bushels					
Beginning Stocks	1,304	1,576	456	306	574	140
Production	13,074	12,072	2,067	2,462	2,585	2,934
Imports	18	15	113	100	10	10
Total Supply	14,396	13,663	2,635	2,868	3,169	3,084
Domestic Use	10,395	10,645	1,066	1,294	1,874	1,949
Exports	2,425	2,000	1,264	1,000	1,155	1,000
Total Use	12,820	12,645	2,330	2,294	3,029	2,949
Ending Stocks, Total	1,576	1,018	306	574	140	135
Average Price (\$/bu.)	4.20	5.00-6.00	6.48	6.70-7.80	10.15	11.60-13.10

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

U.S. INDEX SUMMARY TABLE

Index 1990-92=100	2007		2008	
	July	August	July	August
Prices Received	139	139	159	155
Prices Paid	162	162	192	194
Ratio ^{1/}	86	86	83	80

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

Address Service Requested

OFFICIAL BUSINESS
Reynoldsburg, OH 43068
P.O. Box 688
Ohio Field Office

UNITED STATES DEPARTMENT OF AGRICULTURE

PRSR1 STD
POSTAGE & FEES PAID
USDA
PERMIT NO. G-38