



Keystone Ag Digest

Cooperating with the Pennsylvania Department of Agriculture
2301 N Cameron St, Rm G-19 · Harrisburg, PA 17110
(717) 787-3904 · (717) 782-4011 FAX · www.nass.usda.gov

Released: Late August 2007

Bi-Monthly

Vol. 07 No. 16

IN THIS ISSUE:	Manufactured Dairy Production Field Crop Forecasts	Land Values & Cash Rents Milk Production	Fruit Forecast
<i>This publication may be found on the Internet at www.nass.usda.gov/pa and click on "Pennsylvania Publications."</i>			

Note to Survey Respondents: Results of many surveys we conduct throughout the year are included in this report! Most survey results are **not** published individually. **Thank you** for taking the time to complete our surveys!

AUGUST YIELD SURVEY RESULTS

The results of the August Yield Survey are contained on page 2 and 3 of this release.

We wish to **thank** those farm operators who provided information for that report.

MILK PRODUCTION

Milk production in Pennsylvania during July 2007 totaled 886 million pounds, 0.2 percent below last July's production of 888 million pounds. The number of milk cows in the state during the month averaged 550,000 head, up 1,000 from June, but 5,000 head less than from July 2006. Production per cow averaged 1,610 pounds, up 20 pounds from June 2007, and 10 pounds above the July 2006 average.

Milk production in the 23 major States during July totaled 14.5 billion pounds, up 3.9 percent from July 2006. June revised production, at 14.2 billion pounds, was up 1.2 percent from June 2006. The June revision represented an increase of 6 million pounds from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,743 pounds for July, 55 pounds above July 2006. The number of milk cows on farms in the 23 major States was 8.31 million head, 50,000 head more than July 2006, and 14,000 head more than June 2007.

PRODUCTION OF SELECTED DAIRY PRODUCTS

Products	Jun 2006	May 2007	Jun 2007
	<i>000 Lbs.</i>		
PENNSYLVANIA			
Butter	6,044	7,329	5,161
Ice Cream	3,337	3,325	3,424
UNITED STATES			
Butter	101,110	124,417	110,493
Cheese:			
American Types	331,375	331,408	316,163
Swiss	26,738	27,915	26,227
Brick and Muenster	9,146	9,186	8,840
Cream and Neufchatel	60,576	61,022	61,837
Mozzarella	260,874	278,766	273,416
Other Italian	67,395	70,497	64,284
Total Italian Types	328,269	349,263	337,700
All Other	24,626	25,379	24,283
Total	796,104	820,429	789,973
NF Dry Milk, Human	116,846	115,949	119,296
Yogurt, Plain & Flavored	290,529	300,052	284,759
	<i>000 Gal.</i>		
FROZEN PRODUCTS:			
Ice Cream, Hard	91,954	85,254	89,499
Ice Cream, Lowfat	42,339	42,147	43,356
Ice Cream, Nonfat	1,446	1,188	1,341
Sherbet, Hard	4,984	5,384	5,937
Frozen Yogurt, Total	6,697	6,291	6,960
FOR PRODUCTS:			
Ice Cream Mix	51,692	47,959	50,364
Ice Cream Mix, Lowfat	25,160	24,248	24,909
Ice Cream Mix, Nonfat	920	744	801
Sherbet Mix	3,708	3,762	3,835
Yogurt Mix	4,217	3,813	4,218

MILK COWS & MILK PRODUCTION

Item	Unit	Pennsylvania			23 States		
		Jul 2006	Jun 2007	Jul 2007	Jul 2006	Jun 2007	Jul 2007
Milk Cows	Thous.	555	549	550	8,258	8,294	8,308
Milk Per Cow	Lbs.	1,600	1,590	1,610	1,688	1,713	1,743
Milk Production	Mil. Lbs.	88 8	873	886	13,937	14,204	14,483

PENNSYLVANIA CROP FORECAST

Based on August 1, 2007 forecasts for yield and production, the Keystone state's farmers expect to produce more winter wheat and Southern Maryland and Pennsylvania Seed-leaf type tobaccos than last year. Production is expected to be below last year for corn for grain, oats, barley, soybeans, burley tobacco, and dry hay of both types.

Corn for grain acreage for harvest, at 1,000,000, is up 40,000 acres from last year. Based on crop conditions as of August 1, corn yield is forecast at 110 bushels per acre, which is 12 bushels per acre less than last year's yield. If realized, the corn for grain production would be 110.0 million bushels, which is 6 percent less than last year.

Oats acreage for harvest, at 90,000, is down 20,000 acres from last year. Based on crop conditions as of August 1, the oat yield is forecast at 55 bushels per acre, which is down 10 bushels from the July 1 forecast and 9 bushels below last year's final yield. The resulting oat production of 4.95 million bushels would be 30 percent below last year. Barley acreage for harvest, at 45,000, is 1,000 acres less than 2006. Barley yield is forecast at 78 bushels per acre, down 4 bushels per acre from the July 1 forecast and down 3 bushels from a year ago. Barley production is expected to be 3.51 million bushels, 6 percent below last year's production. Winter wheat acres harvested totaled 155,000, which is 3 percent more than last year. The August 1 winter wheat yield is 58 bushels per acre, up 2 bushels per acre from the July 1 forecast but down 1 bushel from the final yield for 2006. The resulting winter wheat production of 8.99 million bushels is 2 percent above last year.

Soybean acreage for harvest is set at 435,000, up 10,000 acres from last year. The expected yield based on August 1 conditions is 39 bushels per acre, down 1 bushel from 2006. Production is set at 16.97 million bushels, less than 1 percent below last year.

Alfalfa acreage harvested for dry hay is estimated at 550,000, up 50,000 acres from 2006. As of August 1, yield is forecast at 2.40 tons per acre, down 0.6 ton per acre from last year. The resulting production, at 1.32 million tons, is 12 percent less than last year. All other hay acres harvested for dry hay is estimated at 1,150,000, down 100,000 acres from last year. The expected yield as of August 1 of 1.80 tons per acre is down 1.10 tons per acre from 2006. Total production, at 2.07 million tons, is 43 percent less than 2006.

Light air-cured burley tobacco acres for harvest are estimated at 5,000. This is down 500 acres from the 5,500 acres of burley tobacco harvested last year. The yield for burley tobacco is forecast at 2,150 pounds per acre, up 50 pounds from a year ago. Production is estimated at 10.75 million pounds, which is 7 percent less than 2006. Southern Maryland-type tobacco acres for harvest are estimated at 1,100, unchanged from last year. The yield is forecast at 2,150 pounds, which is up 250 pounds from the 1,900 pounds per acre produced in 2006. Production is estimated at 2.37 million pounds, which is 13 percent more than 2006. Pennsylvania seed-leaf tobacco acreage, estimated at 1,800, is up 500 acres from last year. The forecast yield of 2,200 pounds is 200 pounds above 2006. Production, at 3.96 million pounds, is 52 percent more than last year.



U.S. CROP FORECAST

Corn production is forecast at 13.1 billion bushels, up 24 percent from last year and 17 percent above 2005. Based on conditions as of August 1, yields are expected to average 152.8 bushels per acre, up 3.7 bushels from last year. If realized, the yield would be the second highest on record, behind the 160.4 bushel yield in 2004. However, production will be the largest on record as growers intend to harvest the most corn acres for grain since 1933. Yield forecasts are higher than last year across the Great Plains where frequent rainfall during much of the growing season provided abundant soil moisture for filling the crop. Higher yields are also expected in the central Corn Belt and Delta, where timely rains benefited the crop. Expected yields across much of the northern and eastern Corn Belt, Ohio Valley, Tennessee Valley, Southeast, and Atlantic Coast states are below last year as hot, dry conditions during much of the growing season reduced soil moisture supplies and stressed the crop.

Soybean production is forecast at 2.63 billion bushels, down 18 percent from last year's record high and down 14 percent from 2005. Based on August 1 conditions, yields are expected to average 41.5 bushels per acre, down 1.2 bushels from last year. Yields are lower than 2006 throughout most of the Atlantic Coast states, most of the Corn Belt, and the Tennessee Valley, while yields are expected to remain unchanged or increase across the Great Plains, the Gulf Coast states, and Arkansas. Area for harvest, at 63.3 million acres, remains unchanged from June but is down 15 percent from 2006.

The final winter wheat production forecast is 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.

Oat production for the 2007 crop year 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. Compared with July 1, yields are forecast to be unchanged or lower in all the major producing states except Oregon. Expected area to be harvested as grain or seed is 1.61 million acres, up 2 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 August 1 conditions, producers expect to harvest an average of 63.1 bushels per acre, down 2.1 bushels from July but up 2.1 bushels from last year. Expected area harvested for grain or seed, at 3.54 million acres, is up 20 percent from 2006.

Production of alfalfa and alfalfa mixtures for dry hay is forecast at 69.9 million tons, down 2 percent from last year. Yields are expected to average 3.26 tons per acre, down 0.09 ton from 2005. Harvested area is 21.5 million acres, unchanged from June but up fractionally from last year.

Production forecast of all other dry hay for 2007 is 75.3 million tons, up 8 percent from last year. Based on August 1 conditions, yields are expected to average 1.87 tons per acre, an increase of 0.09 ton from last year. Harvested area is forecast at 40.3 million acres, unchanged from June but up 2 percent from previous year's acreage.

All tobacco production for 2007 is forecast at 775 million pounds, up 7 percent from 2006 and 20 percent above 2005. Area for harvest is forecast at 354,070 acres, 4 percent above last year. Yields for 2007 are expected to average 2,189 pounds per acre, 45 pounds greater than 2006.

CROP PROSPECTS – AUGUST 1, 2007 WITH COMPARISONS

Crop	Year	Pennsylvania				United States				Unit
		Acreage (000)		Production		Acreage (000)		Production		
		Planted	Harvested	Per Acre	(000)	Planted	Harvested	Per Acre	(000)	
Corn	2006	1,350	960 ¹	122.0	117,120	78,327	70,648 ¹	149.1	10,534,868	Bu.
	2007	1,450	1,000 ¹	110.0	110,000	92,888	85,418 ¹	152.8	13,053,617	Bu.
Soybean, Winter.....	2006	160	150	59.0	8,850	40,575	31,117	41.7	1,298,081	Bu.
	2007	170	155	58.0	8,990	45,136	37,188	41.3	1,537,262	Bu.
Wheat	2006	135	110	64.0	7,040	4,168	1,576	59.5	93,764	Bu.
	2007	120	90	55.0	4,950	3,860	1,612	61.0	98,341	Bu.
Corn, Dry	2006	55	46	81.0	3,726	3,452	2,951	61.0	180,051	Bu.
	2007	60	45	78.0	3,510	4,044	3,542	63.1	223,478	Bu.
Soybeans	2006	430	425	40.0	17,000	75,522	74,602	42.7	3,188,247	Bu.
	2007	440	435	39.0	16,965	64,081	63,285	41.5	2,625,274	Bu.
Hay, Dry Alfalfa	2006	-	500	3.00	1,500	-	21,384	3.35	71,666	Ton
	2007	-	550	2.40	1,320	-	21,451	3.26	69,904	Ton
Hay, Dry Other	2006	-	1,250	2.90	3,625	-	39,423	1.78	70,000	Ton
	2007	-	1,150	1.80	2,070	-	40,338	1.87	75,347	Ton
Tobacco, All.....	2006	-	7.9	2,056	16,240	-	338.9	2,144	726,644	Lbs.
	2007	-	7.9	2,161	17,075	-	354.1	2,189	774,950	Lbs.
Potatoes, Fall	2006	11.0	10.5	260	2,730	987.9	976.2	402	391,978	Cwt
	2007	10.5	10.0	²	²	1,009.2	996.2	²	²	Cwt

Harvested for grain, remainder of planted acres for silage and other uses. ² Not available until November.

FRUIT FORECAST

The following forecasts are made based upon conditions on August 1, 2007:

Apples: Pennsylvania's production is forecast at 455 million pounds, down 3 percent from last year's crop, and 9 percent below 2005. The 2007 Pennsylvania apple crop got off to an excellent start with favorable weather after bloom. Apples sized well early in the season. However weather of late has turned dry and apple sizing has slowed considerably. Apple trees are carrying good crop loads but yields and sizing are being negatively affected by dry weather. All other quality factors this season have been good. Fruit finish has been excellent and there have been no issues with uncontrolled insects or diseases to date. Hail damage is virtually nonexistent in the major apple producing counties. The first U.S. forecast of the 2007 season is 9.28 billion pounds, down 7 percent from last year and 4 percent lower than the 2005 crop.

Grapes: Pennsylvania's production forecast is 83,000 tons, up 1 percent from last year but down 8 percent from 2005. Juice grape growers report a decent crop of grapes with little frost damage. Grape berry moth damage has been low while Japanese beetle pressure has been very high. Most growers have sprayed at least once for this pest. Some Concord growers have sprayed twice. Downey and powdery mildew pressure has been low. Wine grape growers across the Commonwealth report very good crops with anticipation for good vintages due to the hot, dry weather of late. U.S. grape production is forecast at 6.99 million tons, up 9 percent from 2006 but 11 percent lower than 2005.

Peaches: Pennsylvania peach producers expect to harvest 19,100 tons of peaches from their orchards in 2007. This estimate is up 100 tons from the July 1 forecast. Most growers reported a good peach crop with average to large size and excellent flavor. Peach growers in Pennsylvania were negatively affected by the Easter frost and report that peaches this year have been smaller than normal due to the drier than normal conditions. Twenty-eight percent of PA peaches were

harvested as of the 29th of July. The U.S. peach production forecast is 1.03 million tons, 2 percent above 2006.

Pears: The Pennsylvania crop is forecast at 2,800 tons, down 28 percent from 2006 but up 33 percent from the frost damaged 2005 crop. Pear growers report that the lack of rainfall is hampering production. U.S. pear production is forecast at 878,050 tons, up 4 percent from last year and up 7 percent from 2005.

AUGUST 1, 2007 FRUIT FORECASTS WITH COMPARISONS

Crop	Year	Production	
		Pennsylvania	United States
		<i>Million Pounds</i>	
Apples	2005	500.0	9,704.9
	2006	470.0	9,931.7
	2007	455.0	9,284.7
		<i>Tons</i>	
Peaches	2005	26,600	1,184,550
	2006	21,600	1,010,120
	2007	19,100	1,026,945
Pears.....	2005	2,100	823,320
	2006	3,900	842,035
	2007	2,800	878,050
Grapes	2005	90,000	7,813,700
	2006	82,000	6,417,150
	2007	83,000	6,988,450

AGRICULTURAL LAND VALUES HIGHLIGHTS

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.



AGRICULTURAL CASH RENTS HIGHLIGHTS

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.

PA & SELECTED STATES: AVERAGE VALUE PER ACRE OF LAND & BUILDINGS, AVERAGE CASH RENT PER ACRE, 2007

State	Farmland ¹	Cropland	Pasture
	Avg Value Per Acre	Rent Per Acre	Rent Per Acre
	<i>Dollars</i>		
Northeast:			
Maryland	9,250	62.00	--
New Jersey	11,300	48.00	--
New York	2,220	39.00	--
Pennsylvania	5,670	48.00	30.00
Lake States:			
Michigan	3,950	73.00	--
Minnesota	2,780	94.00	19.00
Wisconsin	3,800	72.00	40.00
Corn Belt:			
Illinois	4,330	141.00	35.00
Indiana	4,000	120.00	--
Iowa	3,400	140.00	39.00
Ohio	3,800	91.00	--
Northern Plains:			
Kansas	1,090	48.00	14.50
Nebraska	1,230	106.00	14.00
North Dakota	650	41.00	12.50
Appalachian:			
Kentucky	2,850	82.00	--
North Carolina	4,600	52.50	27.00
Tennessee	3,400	68.00	20.00
Virginia	5,700	45.00	21.00
West Virginia	2,500	30.00	--

¹ Average value per acre of land and buildings. ² Insufficient information.

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

UNITED STATES
 DEPARTMENT OF AGRICULTURE
 National Agricultural Statistics Service
 Pennsylvania Field Office
 2301 N Cameron St Room G-19
 Harrisburg PA 17110-9405
 ADDRESS SERVICE REQUESTED