Agri-News

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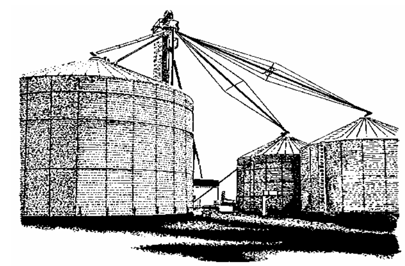

Annual Crop Summary For 2002

IOWA - Corn for grain production during 2002 was estimated at 1.96 billion bushels, three percent above the November 1 forecast, and 18 percent above 2001. Iowa producers averaged 165.0 bushels per acre, which was up from the November 1 forecast of 160.0. This yield shatters the previous record yield of 152 bushels per acre from 1994. Acreage harvested for grain remained the same as previous forecasts at 11.9 million acres, four percent over 2001. Corn planted for all purposes in Iowa was revised to 12.3 million acres, up five percent from 2001.

Corn for silage production was estimated at 6.27 million tons, up 47 percent from 2001. The silage yield estimate of 19.0 tons per acre compares to 18.5 tons per acre in 2001 and is the highest on record. Producers harvested 330,000 acres of corn for silage, which was up from 230,000 acres the previous year.

Soybean production in Iowa was estimated at 494.9 million bushels in 2002, up one percent from the November 1 forecast, and up almost three percent from 2001. Soybean production for the state was the second highest on record, below only the 1998 production of 496.8 million bushels. Producers averaged 48.0 bushels per acre in 2002, up four bushels per acre from last year's yield of 44.0 bushels per acre. The harvested acreage estimate of 10.31 million acres of soybeans declined from the November 1 forecast, and is down over five percent from 2001. Planted acreage of soybeans was 10.4 million acres, also down five percent from 2001.

All hay production for the state was estimated at 5.65 million tons, up seven percent from the October 1 forecast, and up slightly over one percent from the 5.57 million tons produced in 2001. Producers averaged 3.53 tons per acre, compared to 3.37 tons per acre in 2001. Harvested acres for hay was estimated at 1.60 million acres, down from 1.65 million acres the previous year.

Alfalfa and alfalfa mixtures production was estimated at 4.88 million tons, up over five percent from 2001. Producers averaged 3.9 tons per acre, compared to 3.7 tons per acre the previous year, while harvested acres remained equal to the previous two years at 1.25 million acres. Iowa producers seeded 205,000 acres of alfalfa in 2002, up from 185,000 acres the previous year.

Other hay production was estimated at 770,000 tons, 18 percent below the previous year's production. Producers averaged 2.20 tons per acre, down from 2.35 tons per acre in 2001; while harvesting 350,000 acres of other hay, down 50,000 acres from the previous year.

UNITED STATES – Corn grain production is estimated at 9.01 billion bushels, virtually unchanged from the November forecast but down 5 percent from the 9.51 billion bushels produced in 2001. The average U.S. grain yield is estimated at 130.0 bushels per acre, 2.4 bushels above the November forecast but down 8.2 bushels from 2001. Yields for grain are down from last year in many areas of the U.S. as drought persisted during the growing season, particularly in the central and northern Great Plains and eastern Corn Belt. However, record yields were established in Iowa and Minnesota as growing conditions were more favorable. Yields are also up in Wisconsin and Michigan with more favorable growing conditions than 2001.

Soybean production in 2002 totaled 2.73 billion bushels, up 1 percent from the November 1 forecast but 6 percent below 2001. The average yield per acre in 2002 is estimated at 37.8 bushels per acre, 0.3 bushel above the November 1 forecast but 1.8 bushels below the 2001 yield.

All hay production for 2002 is estimated at 151 million tons, up slightly from the October 1 forecast but down 4 percent from the 2001 total. Acreage harvested, at 64.5 million acres, is down less than 1 percent from the October forecast but up 2 percent from 2001. The average yield, at 2.34 tons per acre, is up 0.02 ton from the October forecast but down 0.13 ton from the previous year.

ECONOMIST CORNER

Livestock by John Lawrence and Grains by Robert Wisner

Iowa Cooperative Extension Service - Ames

LIVESTOCK

Fed cattle prices traded in the upper $70s during the first full week of January and are expected to trend seasonally higher in the weeks ahead. Prices have historically been relatively flat from January to February but average 4 percent higher in March and April. If January averages $80, which is possible, that would suggest that March could average over $83. Lower cattle in feed inventories are fueling the price increase, but weights remain near last year's record level and may limit price gains. Look for feeder cattle prices to remain strong due to the strength in fed prices and available feedlot space.

Hog prices continue their rally that started in early September. The low price for the year that typically occurs in November or December occurred near Labor Day. Prices typically rally into mid February, level off through April, and move higher in May. It appears that this year may repeat that trend. The lower weights that soften the decline in fall prices have begun to increase and are running at the same weight as last year. Look for weights to stay at or above 2002 levels and for prices to move into the mid to upper $30s live price and top $40 in May.

GRAIN

Lagging corn exports and disappointing domestic feed demand, as indicated by the January 10 grain stocks report, are likely to temper the upward potential in corn prices in the next two or three months. Also, increased U.S. corn planted acreage is widely expected this spring. That may put pressure on futures prices for fall 2003 delivery. The January U.S. corn production estimate was only slightly higher than in November. However, smaller than expected domestic corn feeding, and export commitments that are about seven percent below a year ago indicate corn supplies should be adequate for this marketing year. In fact, indicated supplies appear large enough to allow slightly greater corn use than the rate for the first third of the marketing year. From mid-January through early March, weekly USDA export sales reports will be a key indicator of short-term corn price fluctuations.

In contrast to corn, the January 10 crop estimate showed modestly larger U.S. soybean production than indicated in November. Even so, export demand for soybeans so far this season has been stronger than can be sustained for the rest of the marketing year. Limited U.S. supplies will force a sharp reduction in weekly soybean exports in the last four months of the marketing year. The South American crop will determine whether the needed reduction occurs without higher soybean prices. Excellent South American bean yields would be expected to bring a sharp decline in May-August U.S. soybean and soybean meal exports without much price strength. However, in mid-January, season-total rainfall was well below normal rainfall in Brazil's newer soybean areas. That, in turn, was causing some caution in projections of the size of this spring's harvest.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Dec.[1] 2001	IOWA Nov.[1] 2002	IOWA Dec.[2] 2002	U.S. Nov.[1] 2002	U.S. Dec.[2] 2002
		Dollars				
Corn	Bu.	1.91	2.21	2.15	2.27	2.29
Oats	Bu.	1.84	1.86	1.80	1.90	1.81
Soybeans	Bu.	4.14	5.41	5.45	5.46	5.48
Alfalfa, baled	Ton	96.00	83.00	90.00	101.00	100.00
All hay baled	Ton	95.00	81.00	88.00	93.60	92.60
All hogs	Cwt.	34.00	27.80	29.90	27.80	30.00
Sows	Cwt.	27.80	23.60	25.90	20.40	22.80
Bar. & Gilts	Cwt.	34.10	27.80	30.00	28.10	30.40
Beef Cattle	Cwt.	65.50	66.50	69.70	67.60	70.20
Cows	Cwt.	33.70	32.00	34.00	33.00	34.20
Strs. & Hfrs.	Cwt.	66.10	67.20	70.40	72.00	74.80
Calves	Cwt.	95.30	86.20	89.20	88.20	93.60
Milk cows[3]	Hd.	--	--	--	--	--
Milk (whls)	Cwt.	13.60	11.90	11.90	11.80	11.90
Sheep	Cwt.	35.60	34.00	--	32.80	--
Lambs	Cwt.	60.00	81.00	--	84.10	--
Eggs (mkt)	Doz.	.317	.481	.427	.563	.519

[1]Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. [2]All prices are mid-month. [3]Prices published January, April, July, and October.

Price Index Summary Table

Prices Received	IOWA Dec. 2001	IOWA Nov. 2002	IOWA Dec.[1] 2002	UNITED STATES Dec. 2001	UNITED STATES Nov. 2002	UNITED STATES Dec.[1] 2002
			1990-92=100[2]			
Prices rec'd.	81	88	89	93	98	97
Crops	81	98	97	90	104	102
Lvstk Prods.	81	76	79	96	90	91
			1910-14=100[3]			
Prices rec'd.	--	--	--	589	620	617
Crops	--	--	--	444	513	505
Lvstk Prods.	--	--	--	737	687	696

[1]Preliminary. [2]1990-92=100 reference replaced 1977=100 in January 1995. [3]Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Dec. 2001	Nov. 2002	Dec. 2002	Dec. 2001	Nov. 2002	Dec. 2002
	1990-92=100			1910-14=100		
Prices paid[1]	117	121	121	1136	1171	1136
Feed	109	117	116	534	571	566
Ratio[2]	76	78	78	36	37	37

[1]Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. [2]Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

Stocks of Grain, December 1, 2002

Iowa: **Corn** stocks in all positions on December 1 totaled 1.7 billion bushels, up six percent from December 1, 2001. Of the total stocks, 64 percent were stored on farms. The September-November 2002 indicated disappearance was 600 million bushels, 16 percent above the previous year's 518 million bushels during the same period.

Soybeans stored in all positions on December 1 totaled 423.4 million bushels, down nearly five percent from December 1, 2001. Of the total stocks, 52 percent were stored on farms. The September-November 2002 indicated disappearance totaled 127 million bushels, 30 percent higher than the previous year's 98 million bushels during the same quarter.

Oat stocks in all positions on December 1 totaled 12.6 million bushels. Of the total stocks, only 34 percent were stored on farms.

United States: **Corn** stocks in all positions on December 1, 2002 totaled 7.63 billion bushels, down 8 percent from December 1, 2001. Of the total stocks, 4.80 billion bushels are stored on farms, down 9 percent from a year earlier. Off-farm stocks, at 2.83 billion bushels, are down 5 percent from the previous year. The September - November 2002 indicated disappearance is 2.97 billion bushels, compared with 3.14 billion bushels during the same period last year.

Soybeans stored in all positions on December 1, 2002 totaled 2.11 billion bushels, down 7 percent from December 1, 2001. On-farm stocks totaled 1.17 billion bushels, down 6 percent from a year ago. Off-farm stocks, at 944 million bushels, are down 9 percent from a year ago. Indicated disappearance for September - November 2002 totaled 823 million bushels, down 5 percent from the same period a year earlier.

Oats stored in all positions on December 1, 2002 totaled 104 million bushels, 9 percent below the stocks on December 1, 2001. Of the total stocks on hand, 52.3 million bushels are stored on farms, 10 percent less than a year ago. Off-farm stocks totaled 51.3 million bushels, 9 percent below a year earlier. Indicated disappearance during September - November 2002 totaled 8.12 million bushels, up 5.94 million from the same period a year ago.

Stocks of Grain and Storage Capacity, December 1, Iowa and U.S.

Position and grain	Iowa			United States		
	Dec. 1 2001	Dec. 1 2002	Percent of previous year	Dec. 1 2001	Dec. 1 2002	Percent of previous year
	Thousand bushels			Thousand bushels		
On-Farm Stocks & Capacity						
Corn	1,050,000	1,100,000	105	5,275,000	4,800,000	91
Soybeans	235,000	221,000	94	1,240,000	1,170,000	94
Oats	3,000	4,300	143	58,100	52,300	90
Hay, all[1]	4,300	3,900	91	110,510	103,756	94
Storage Capacity[2]	1,650,000	1,650,000	100	11,145,000	11,150,000	100
Off-Farm Stocks and Capacity[3]						
Corn	574,105	624,952	109	2,989,715	2,833,427	95
Soybeans	209,294	202,371	97	1,035,618	944,482	91
Oats	*	8,271	*	56,117	51,294	91
Storage Capacity[2]	1,040,000	1,070,000	103	8,424,395	8,506,131	101
Total Stocks and Capacity						
Corn	1,624,105	1,724,952	106	8,264,715	7,633,427	92
Soybeans	444,294	423,371	95	2,275,618	2,114,482	93
Oats	*	12,571	*	114,217	103,594	91
Hay, all[1]	4,300	3,900	91	110,510	103,756	94
Storage Capacity[2]	2,690,000	2,720,000	101	19,569,395	19,656,131	100

[1]Hay stocks in thousand tons. [2]Storage capacity excludes all structures used to store hay. [3]Includes stocks at interior mills, elevators, terminals, warehouses, and processors. *Not published to avoid disclosure of individual operations.

U.S. Corn and Soybean Supply and Demand

CORN	2000/ 2001	2001/ 2002 (Est.)	2002/03[1] Projections Jan.
	Million bushels		
Beginning stocks	1,718	1,899	1,596
Production	9,915	9,507	9,008
Imports	7	10	15
Supply, total	**11,639**	**11,416**	**10,619**
Feed and residual	5,842	5,877	5,600
Food, seed, & indus.	1,957	2,054	2,245
Domestic, total	**7,799**	**7,931**	**7,845**
Exports	1,941	1,889	1,850
Use, total	**9,740**	**9,820**	**9,695**
Ending stocks, total	**1,899**	**1,596**	**924**
Avg market price ($/bu.)	1.85	1.97	2.15-2.55

SOYBEANS	2000/ 2001	2001/ 2002 (Est.)	2002/03[1] Projections Jan.
	Million bushels		
Beginning stocks	290	248	208
Production	2,758	2,891	2,730
Imports	4	2	2
Supply, total	**3,052**	**3,141**	**2,940**
Crushings	1,640	1,700	1,665
Exports	996	1,063	930
Seed	91	89	87
Residual	78	82	78
Use, total	**2,804**	**2,933**	**2,750**
Ending stocks, total	**248**	**208**	**190**
Avg market price ($/bu.)	4.54	4.38	5.10-5.80

[1]Preliminary.

Iowa - Acreage, Yield and Production, 2001-2002

Crop	Acres harvested 2001	Acres harvested 2002[1]	Yield per acre 2001	Yield per acre 2002[1]	Production 2001	Production 2002[1]
	Thousand acres		Bushels		Thousand bushels	
Corn, grain	11,400	11,900	146.0	165.0	1,664,400	1,963,500
Corn, silage[2]	230	330	18.5	19.0	4,255	6,270
Soybeans	10,920	10,310	44.0	48.0	480,480	494,880
Oats for grain	130	175	70.0	76.0	1,905	2,098
Hay, all[2]	1,650	1,600	3.37	3.53	5,565	5,645
Alfalfa hay[2]	1,250	1,250	3.70	3.90	4,625	4,875
Other hay[2]	400	350	2.35	2.20	940	770
Wheat, all	18	16	54.0	50.0	972	800

[1] Preliminary. [2] Yield in tons and production in thousand tons.

U.S. - Acreage, Yield and Production, 2001-2002

Crop	Acres harvested 2001[1]	Acres harvested 2002[2]	Yield per acre 2001[1]	Yield per acre 2002[2]	Production 2001[1]	Production 2002[2]
	Thousand acres		Bushels		Thousand bushels	
Corn, grain	68,808	69,313	138.2	130.0	9,506,840	9,007,659
Corn, silage[3]	6,148	7,490	16.6	14.0	102,077	104,979
Soybeans	72,975	72,160	39.6	37.8	2,890,682	2,729,709
Oats for grain	1,905	2,098	61.4	56.8	117,024	119,132
Hay, all[3]	63,521	64,497	2.47	2.34	156,764	150,962
Alfalfa hay[3]	23,822	23,135	3.37	3.19	80,327	73,824
Other hay[3]	39,699	41,362	1.93	1.86	76,437	77,138
Wheat, all	48,633	45,817	40.2	35.3	1,957,043	1,616,441
Winter Wheat	31,295	29,651	43.5	38.5	1,361,479	1,142,802

[1] Revised. [2] Preliminary. [3] Yield in tons and production in thousand tons.

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