Agri-News

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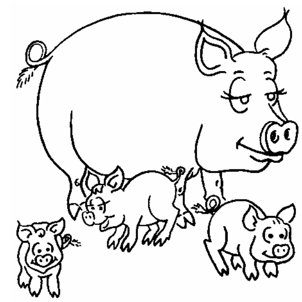

June 1 Hogs and Pigs

On June 1, there were 15.5 million hogs and pigs on Iowa farms. The June 1 inventory was down 1.0 percent from a year ago and up nearly 3 percent from March 1, 2003.

The March-May pig crop this year was 4.0 million head. A total of 460,000 sows farrowed with an average litter size of 8.7 pigs per sow.

As of June 1, producers planned to farrow 450,000 head of sows and gilts in the June-August 2003 quarter. Farrowing intentions for the September-November 2003 period were also estimated at 450,000 as of June 1, 2003. If realized, this would be 4.6 percent more sows farrowed than the same period in 2002.

This report is a result of the voluntary response of Iowa farmers to our June 1, 2003, Agricultural Survey.
We sincerely thank those producers for their cooperation.

Hogs and Pigs on Farms, June 1, 2002-03

State	Breeding			Market			Total		
	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002
	- - - - 1,000 head - - - -		%	- - - - 1,000 head - - - -		%	- - - - 1,000 head - - - -		%
Illinois	450	420	93	3,800	3,580	94	4,250	4,000	94
Iowa	1,130	1,040	92	14,470	14,460	100	15,600	15,500	99
Minnesota	580	590	102	5,320	5,610	105	5,900	6,200	105
Missouri	380	340	89	2,670	2,560	96	3,050	2,900	95
Nebraska	395	375	95	2,555	2,575	101	2,950	2,950	100
North Carolina	1,000	1,000	100	8,900	8,600	97	9,900	9,600	97
U.S.	6,209	5,940	96	54,078	52,796	98	60,288	58,736	97

Market Hogs and Pigs: Inventory Number, By Weight Groups, June 1, 2002-03

State	Under 60 lbs.		60-119 lbs.		120-179 lbs.		180 lbs. and over	
	2002	2003	2002	2003	2002	2003	2002	2003
	- - - - - - - - - - 1,000 head - - - - - - - - - -							
Illinois	1,400	1,300	970	900	780	750	650	630
Iowa	4,570	4,610	4,050	3,960	3,250	3,190	2,600	2,700
Minnesota	2,080	2,170	1,380	1,430	1,100	1,180	760	830
Missouri	1,180	1,240	640	540	510	470	340	310
Nebraska	1,050	1,020	660	690	470	480	375	385
North Carolina	3,600	3,550	2,150	2,100	1,700	1,650	1,450	1,300
U.S.	20,186	19,617	13,588	13,113	10,884	10,697	9,420	9,369

ECONOMIST CORNER

Livestock by John Lawrence
and
Grains by Robert Wisner

Iowa Cooperative Extension Service - Ames

LIVESTOCK

The cattle market has been on a roller coaster since the announcement that a single case of BSE was found in Canada. The market moved initially higher with the halt of Canadian beef and cattle imports. Record boxed beef prices were set June 3 and cattle futures prices peaked the same day. Futures prices fell to a low on June 19 on concerns of a reopening of beef trade. By June 26, futures prices had returned to levels seen before the announcement. It is not known when Canadian imports will resume, but it is expected to be restricted to cattle under 30 months of age and beef from these young animals. As a result the long term supply from Canada will be reduced, but initially the beef that would have come to the US since May 21 is backed up in cold storage and feedlots. While US beef supplies are very tight, unless the flow of imports is controlled, prices could come under pressure. An orderly reopening should not have significant price implications. Fed cattle prices are forecast to remain in the low $70s but prices below $70 are possible by the end of the summer.

The June Hogs & Pigs report was very close to trade expectations and shows that herd liquidation is continuing. The reduction in the June 1 breeding herd, 4.3 percent from last year, represents the largest year-to-year reduction in the current hog cycle. The market hog inventory was down 2.4 percent, with the largest reduction occurring in the less than 120 lb categories. The red flag in the report was the Sep-Nov farrowing intentions that were only .8% less than the year before, suggesting that producers are betting on increased productivity. Third quarter prices are forecast to average in the low $40s with prices below $40 expected for the fourth quarter and early 2004.

GRAIN

Corn and soybean prices will remain quite sensitive to weather and to weekly reports on crop conditions for the next several weeks. Reported crop conditions on June 29 were only slightly less favorable than at the end of June 1994. That year, the U.S. average corn yield was nearly 12% above trend, and the nation's average soybean yield was nearly 18% above trend. While early indicators show good yield potential, timely rainfall and moderate temperatures will be needed in the next eight weeks for these prospects to materialize. Old crop soybean prices are likely to remain more volatile than for corn because of relatively low carryover stocks, even though June 30 bean stocks were higher than generally expected.

Improved crop conditions, a continued lag in corn exports, and slightly larger corn planted acreage than anticipated had pushed new-crop corn prices down near local loan rates by the end of June. Serious and widespread weather problems likely would be needed to move corn prices much above that level. June 30 grain stocks imply that domestic corn feeding was slightly above a year earlier in the March-May quarter, a development that helps to partially offset disappointing export demand. For the coming year, indications of sharply reduced grain production and exports from several former Soviet republics may strengthen U.S. corn exports moderately. Domestic processing demand also will increase, with 10 or 12 new plants currently under construction. If good crop prospects continue, this added demand will absorb part of the increase in production. In case of an abrupt change in weather and deterioration in yield prospects over a large part of the Midwest, the low carryover stocks and prospects for increased demand would push both corn and soybean prices sharply higher.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA June[1] 2002	IOWA May[1] 2003	IOWA June[2] 2003	U.S. May[1] 2003	U.S. June[2] 2003
		- - - - - - - - - - Dollars - - - - - - - - - -				
Corn	bu	1.88	2.31	2.30	2.38	2.33
Oats	bu	2.07	1.99	1.80	1.95	1.84
Soybeans	bu	4.84	6.03	6.00	6.07	6.00
Alfalfa, baled	ton	86.00	79.00	76.00	102.00	98.90
All hay, baled	ton	83.00	79.00	74.00	99.20	94.60
All hogs	cwt	36.50	40.10	43.70	41.30	45.20
Sows	cwt	22.80	29.80	30.00	29.00	29.30
Barrows & Gilts	cwt	36.80	40.20	44.00	41.90	46.00
Beef cattle	cwt	62.40	75.70	73.60	75.50	75.30
Cows	cwt	40.10	42.20	42.00	42.40	41.30
Steers & Heifers	cwt	62.90	76.40	74.20	79.50	79.20
Calves	cwt	89.30	94.00	95.00	100.00	102.00
Milk cows[3]	hd	--	--	--	--	--
Milk (whls)	cwt	11.60	11.30	11.30	11.10	11.10
Sheep	cwt	22.60	32.70	--	31.10	--
Lambs	cwt	77.70	93.90	--	97.50	--
Eggs (mkt)	doz	.350	.316	.446	.397	.499

[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 June 2002	IOWA May 2003	IOWA June[1] 2003	UNITED STATES June 2002	UNITED STATES May 2003	UNITED STATES June[1] 2003
			1990-92=100[2]			
Prices rec'd.	84	98	100	98	106	106
Crops	86	105	105	106	117	114
Lvstk Prods.	81	90	94	90	97	99
			1910-14=100[3]			
Prices rec'd.	--	--	--	621	673	675
Crops	--	--	--	525	577	563
Lvstk Prods.	--	--	--	689	741	762

[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	June 2002	May 2003	June 2003	June 2002	May 2003	June 2003
	1990-92=100			1910-14=100		
Prices paid[1]	123	127	127	1638	1696	1696
Feed	110	116	117	538	567	569
Ratio[2]	80	83	83	38	40	40

[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.

Planted Acreage - June 1, 2003

IOWA: Soybeans planted and to be planted is estimated at 10.4 million acres in 2003, similar to a year earlier. Corn planted and to be planted is up 1 percent this year for a total of 12.4 million acres. The acreage estimates in this report are based on data collected from May 30 through June 14.

Additionally, producers reported on the percent of seed planted to genetically modified (GM) varieties. Eighty-four percent of Iowa's soybean acreage is planted to herbicide resistant varieties. The U.S. level is estimated at 81 percent. Corn planted to GM varieties are estimated in Iowa at 33 percent insect resistant (Bt) only and 8 percent herbicide resistant only. Stacked gene varieties account for 4 percent of corn acres for a total planted to GM varieties in Iowa of 45 percent of the total crop.

UNITED STATES: **Corn** planted area for all purposes is estimated at 79.1 million acres, virtually unchanged from 2002 but 4 percent above 2001. Growers expect to harvest 72.0 million acres for grain, up 4 percent from 2002. Farmers increased corn plantings 44,000 acres from their March intentions. Much needed precipitation was received in late April and early May across much of the Corn Belt which helped relieve long-term moisture deficits. However, the early May rainfall slowed fieldwork and delayed some producers from getting their corn crop planted. Farmers reported that 95 percent of the corn acreage had been planted at the time of the survey interview which is slightly below the average for the past 10 years.

The 2003 **soybean** planted area is estimated at 73.7 million acres, down 105,000 acres from last year, and if realized, the lowest planted area since 1998. This is the third consecutive year that soybean planted acres have declined in the United States. Area for harvest is estimated at 72.7 million acres, up 1 percent from 2002. The planted acreage is up 471,000 acres from the March Prospective Plantings report. Persistent wet weather forced growers along the Southeast and along the Atlantic Coastal Plain to switch to soybeans from their earlier cotton and corn intentions. Growers in North Dakota and Minnesota planted less spring wheat and more soybeans. Of the 31 soybean estimating States, producers decreased planted acres from last year in 11 States, while producers increased acres in 15 States. Farmers reported that 83 percent of the intended soybean acreage had been planted at the time of the survey interview, compared to an average of 77 percent for the past 10 years.

2003 Crop Summary, June 1, Iowa & United States

Crop	Iowa: Planted for all purposes 2002	Iowa: Planted for all purposes 2003	Iowa: Harvested for grain[1] 2002	Iowa: Harvested for grain[1] 2003[2]	United States: Planted for all purposes 2002	United States: Planted for all purposes 2003	United States: Harvested for grain[1] 2002	United States: Harvested for grain[1] 2003[2]
	Thousand acres				Thousand acres			
Corn, all	12,300	12,400	11,900	12,100	79,054	79,066	69,313	71,985
Soybeans	10,400	10,400	10,310	10,350	73,758	73,653	72,160	72,681
Oats	290	210	175	150	5,005	4,676	2,098	2,286
Winter wheat	20	20	16	16	41,735	44,349	29,651	36,491
Hay, all	--	--	1,600	1,700	--	--	64,497	64,379
Alfalfa	--	--	1,250	1,380	--	--	23,135	23,541
All other	--	--	350	320	--	--	41,362	40,838

[1] Harvested for principal use of each crop. [2] Forecasted.

June 1 Grain Stocks

IOWA: The June 1 on and off farm stocks of corn were 7 percent less than last year, while soybeans were 1 percent less than last year.

UNITED STATES: Corn stocks in all positions on June 1, 2003 totaled 2.98 billion bushels, down 17 percent from June 1, 2002. Of the total stocks, 1.62 billion bushels are stored on farms, down 20 percent from a year earlier. Off-farm stocks, at 1.36 billion bushels, are down 13 percent from the previous year. The March - May 2003 indicated disappearance is 2.15 billion bushels, compared with 2.20 billion bushels during the same period last year.

Soybeans stored in all positions on June 1, 2003 totaled 602 million bushels, down 12 percent from June 1, 2002. On-farm stocks totaled 273 million bushels, down 10 percent from a year ago. Off-farm stocks, at 330 million bushels, are down 14 percent from a year ago. Indicated disappearance for March - May 2003 totaled 599 million bushels, down 8 percent from the same period a year earlier.

Stocks of Grain, June 1, Iowa and United States

Position and grain	Iowa: June 1 2002	Iowa: June 1 2003	Iowa: Percent of previous year	United States: June 1 2002	United States: June 1 2003	United States: Percent of previous year
	Thousand bushels			Thousand bushels		
On-Farm Stocks						
Corn	490,000	460,000	94	2,020,600	1,620,200	80
Soybeans	73,000	79,000	108	301,200	272,500	90
Oats	1,700	2,200	129	28,650	20,600	72
Wheat, all	NA	NA	--	216,830	132,110	61
Off-Farm Stocks[1]						
Corn	331,754	301,855	91	1,576,290	1,364,476	87
Soybeans	86,175	72,650	84	383,721	329,830	86
Oats	4,478	3,630	81	34,552	29,201	85
Wheat, all	1,208	NA	--	560,282	359,611	64
Total Stocks						
Corn	821,754	761,855	93	3,596,890	2,984,676	83
Soybeans	159,175	151,650	95	684,921	602,330	88
Oats	6,178	5,830	94	63,202	49,801	79
Wheat, all	NA	NA	--	777,112	491,721	63

[1] Includes stocks at interior mills, elevators, terminals, warehouses, and those owned by Commodity Credit Corporation which are in bins under storage under CCC control. NA=Not available.

All Layers and Egg Production, May 2002 and 2003[1]

State	Table Egg Layers in Flocks 30,000 and Above		All layers on hand[2]		Eggs per 100 layers[2]		Egg production by type: Total production		Table eggs[3]		Hatching eggs[3]	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
	Thousands				Number		Million eggs					
AL	2,361	2,050	10,207	9,591	1,891	1,950	193	187	50	48	143	139
AR	4,696	4,502	15,166	15,489	1,912	1,872	290	290	104	95	186	195
CA	22,801	19,146	23,479	19,718	2,173	2,125	510	419				
FL	9,892	9,975	10,580	10,506	2,174	2,170	230	228	217	219	13	9
GA	10,199	10,989	19,968	20,553	2,068	2,082	413	428	228	250	185	178
IN	21,396	22,051	22,130	22,756	2,255	2,268	499	516	486	503	13	13
IA	36,035	36,811	36,875	37,612	2,283	2,204	842	829				
MN	10,935	10,525	11,650	11,130	2,223	2,300	259	256	250	247	9	9
NE	11,374	11,655	11,474	11,755	2,222	2,254	255	265	255	265	0	0
NC	3,060	3,289	11,225	11,055	1,933	1,990	217	220	74	81	143	139
OH	29,870	28,878	30,393	29,388	2,181	2,188	663	643				
PA	22,011	22,976	23,450	24,369	2,375	2,319	557	565	538	548	19	17
TX	13,689	14,066	18,102	18,462	2,166	2,194	392	405				
U.S.	268,911	267,708	335,865	333,716	2,173	2,180	7,297	7,274	6,161	6,147	1,135	1,127

[1]2003 preliminary, 2002 revised. [2]Includes all layers and eggs produced in both table egg and hatching egg flocks regardless of size. [3] Data by type of flock not shown for some states to avoid disclosing individual operations.

Commercial Red Meat Production: United States[1]

Kind	May 2002	Apr. 2003	May 2003	May 2003 as % of May 2002	May 2003 as % of Apr. 2003	Jan - May[2] 2002	Jan - May[2] 2003	2003 as % of 2002
	Million pounds			Percent		Million pounds		Percent
Beef	2,336	2,153	2,363	101	110	10,908	10,803	99
Veal	15.5	16.0	15.8	102	98	77.9	82.0	105
Pork	1,646	1,657	1,550	94	94	8,099	8,097	100
Lamb & mutton	19.5	19.4	15.2	78	78	96.3	83.7	87
Total red meat	4,017	3,846	3,943	98	103	19,181	19,066	99

[1] Based on packers' dressed weights and excludes farm slaughter. [2] Accumulated totals and percentages based on unrounded data.

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