Agri-News

Iowa Agricultural Statistics Service
210 Walnut, Room 833 • Des Moines, Iowa 50309-2195
515-284-4340 • 1-800-772-0825 • FAX 515-284-4342 • nass-ia@nass.usda.gov
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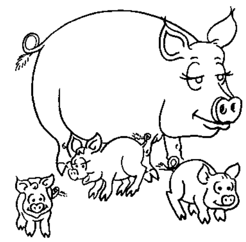
Highlights

March 1 Hogs & Pigs
Economists' Corner & March Prices
March Planting Intentions
Grain Stocks
February Slaughter
February Milk Production



March 1 Hogs and Pigs

Iowa: On March 1, there were 15.5 million hogs and pigs on Iowa farms. The March 1 inventory was up 500,000 from a year ago.

The December 2003-February 2004 pig crop was 3.48 million head. A total of 400,000 sows farrowed with an average litter size of 8.7 pigs per sow.

As of March 1, producers planned to farrow 430,000 head of sows and gilts in the March-May 2004 quarter. Farrowing intentions for the June-August 2004 period were estimated at 440,000 as of March 1, 2004.

This report is a result of the voluntary response of Iowa farmers to our March 1, 2004, Hog Report.
We sincerely thank those producers for their cooperation.

Hogs and Pigs: Breeding, Market, and Total Inventory By Selected States and United States, March 1, 2003-04[1]

State	Breeding			Market			Total		
	2003	2004	2004 as % of 2003	2003	2004	2004 as % of 2003	2003	2004	2004 as % of 2003
	1,000 Head		Percent	1,000 Head		Percent	1,000 Head		Percent
Illinois	420	410	98	3,530	3,440	97	3,950	3,850	97
Iowa	**1,060**	**1,040**	**98**	**13,940**	**14,460**	**104**	**15,000**	**15,500**	**103**
Minnesota	600	600	100	5,500	5,800	105	6,100	6,400	105
Missouri	360	330	92	2,590	2,570	99	2,950	2,900	98
Nebraska	380	360	95	2,520	2,490	99	2,900	2,850	98
North Carolina	1,000	1,000	100	8,600	8,900	103	9,600	9,900	103
U.S.	6,017	5,915	98	52,166	53,399	102	58,183	59,315	102

[1] May not add due to rounding.

Market Hogs and Pigs: Inventory Number by Weight Group, Selected States, and United States, March 1, 2003-04[1]

State	Under 60 lbs.		60-119 lbs.		120-179 lbs.		180 lbs. and over	
	2003	2004	2003	2004	2003	2004	2003	2004
	- - - - - - - - - - 1,000 head - - - - - - - - - -							
Illinois	1,270	1,260	860	820	780	750	620	610
Iowa	**4,290**	**4,510**	**3,810**	**4,000**	**3,140**	**3,250**	**2,700**	**2,700**
Minnesota	2,110	2,200	1,320	1,420	1,190	1,200	880	980
Missouri	1,230	1,270	570	510	480	470	310	320
Nebraska	1,000	980	640	640	485	460	395	410
North Carolina	3,350	3,500	2,000	2,200	1,800	1,800	1,450	1,400
U.S.	19,086	19,679	12,649	12,993	10,915	11,088	9,516	9,641

[1] Weight groups may not add to Market due to rounding.

ECONOMIST CORNER

Livestock by John Lawrence and Grains by Robert Wisner

Iowa Cooperative Extension Service--Ames

LIVESTOCK

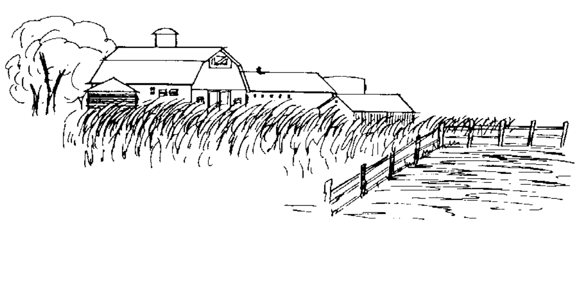
The fed cattle inventory is still not showing any evidence of the market-ready inventory buildup lurking in the minds of trade analysts. Carcass weights continue their seasonal decline and the choice-select spread has begun its seasonal Spring rally ahead of normal. Fed cattle and wholesale-boxed beef prices have remained relatively strong throughout 2004. In spite of this good news, we believe the highs for 2004 are already behind us, and fed cattle prices will likely decline to the mid $70's in the next month and fluctuate in that range for the remainder of the year.

The production outlook in the March hogs and pigs report was similar to the December report. Yet the trade is considerably more optimistic now than the beginning of the year, due primarily to the phenomenal growth in pork demand. Market hog prices have been running $8-$12 ahead of last year, despite a nearly 4 percent increase in slaughter. We expect the demand momentum to last through the summer. Therefore, look for lean hog prices to remain in the upper $60-lower $70 range during the second quarter, lowering to the mid $60's in the third quarter, and returning to a level comparable to last year in the fourth quarter of '04.

GRAIN

Corn prices will be exceptionally sensitive to spring planting weather, as well as crop conditions in Europe, the former Soviet republics, Canada, and China. Intended plantings and a trend yield would produce a U.S. corn crop 50 to 150 million bushels below expected market requirements for the year ahead. With that prospect, look for steady to higher new-crop corn prices through mid to late May as the market attempts to encourage larger corn plantings. Weekly and daily export sales also will be important market indicators. With foreign wheat and feed grain production last year down an extremely sharp 2.7 billion bushels from normal, export demand for U.S. corn may strengthen some into summer.

With larger than expected old-crop soybean stocks, cash prices may have a little less up-side potential than indicated a few weeks ago. Even so, U.S. stocks will be very tight by the end of summer and the domestic crush will need to drop about 15 percent below a year earlier. The Prospective Plantings report indicated farmers plan to shift from other crops to soybeans, especially in the mid-South and North Dakota. If final plantings are near the intentions survey, a normal U.S. soybean yield would have the potential to increase next year's U.S. soybean carryover stocks substantially—assuming South American yields are better next spring. Normal rainfall in Brazil would assist farmers there in controlling Asian rust.



Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Mar. [1] 2003	IOWA Feb. [1] 2004	IOWA Mar. [2] 2004	U.S. Feb. [1] 2004	U.S. Mar. [2] 2004
		- - - - - - - - - - Dollars - - - - - - - - - -				
Corn	Bu.	2.23	2.54	2.80	2.61	2.79
Oats	Bu.	2.21	1.84	1.75	1.58	1.55
Soybeans	Bu.	5.54	8.38	9.60	8.28	9.56
Alfalfa, baled	Ton	81.00	83.00	88.00	84.70	85.90
All hay, baled	Ton	80.00	81.00	87.00	79.90	81.80
All hogs	Cwt.	34.90	40.40	42.30	42.60	45.10
Sows	Cwt.	27.80	37.00	39.20	35.10	38.90
Bar. & Gilts	Cwt.	35.00	40.50	42.40	43.00	45.40
Beef Cattle	Cwt.	73.20	83.50	92.40	78.50	84.00
Cows	Cwt.	39.90	43.30	45.10	46.10	46.70
Strs. & Hfrs.	Cwt.	73.90	84.30	93.40	82.30	88.60
Calves	Cwt.	91.40	104.00	105.00	111.00	114.00
Milk cows[3]	Hd.	--	--	--	--	--
Milk (whls)	Cwt.	11.20	13.70	14.60	13.60	14.70
Sheep	Cwt.	40.10	46.20	--	41.20	--
Lambs	Cwt.	92.90	100.00	--	107.00	--
Eggs (mkt)	Doz.	.440	.681	.939	.745	1.000

[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 Mar. 2003	IOWA Feb. 2004	IOWA Mar. [1] 2004	UNITED STATES Mar. 2003	UNITED STATES Feb. 2004	UNITED STATES Mar.[1] 2004
	1990-92=100[2]					
Prices rec'd.	92	120	134	99	116	122
Crops	99	129	145	106	120	124
Lvstk Prods.	84	111	124	93	112	120
	1910-14=100[3]					
Prices rec'd.	--	--	--	628	734	773
Crops	--	--	--	522	592	612
Lvstk Prods.	--	--	--	716	859	919

[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	Mar. 2003	Feb. 2004	Mar. 2004	Mar. 2003	Feb. 2004	Mar. 2004
	1990-92=100			1910-14=100		
Prices paid[1]	128	130	131	1704	1736	1744
Feed	114	124	125	556	603	609
Ratio[2]	77	89	93	37	42	44

[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.

Iowa Prospective Plantings, March 1, 2004

Corn: Iowa farmers intend to plant 12.5 million acres of corn for all purposes as of March 1, 2004. This is up 1 percent from the 12.4 million acres planted in 2003.

Soybeans: Producers intend to plant 10.7 million acres of soybeans in Iowa this year. This is up 1 percent from the previous year's planted acres.

Oats: Farmers intend to plant 200,000 acres of oats for all purposes. This is 9 percent below the 220,000 acres planted in 2003. Producers intend to harvest 120,000 of these acres for grain.

All Hay: Iowa producers intend to harvest 1.60 million acres of hay, unchanged from last year's harvested acres. Final acreage harvested for hay is influenced by a number of factors that can result in sizeable changes in the acreage being harvested as the season progresses.

This report is based on the voluntary responses from nearly two thousand Iowa producers. Data collection began February 28, with final interviews completed on March 17. This report provides only a preliminary indication of the acres farmers intend to plant. Actual plantings will depend greatly upon weather, economic conditions and the availability of production inputs at the time producers must make their final planting decisions.

Prospective Plantings, March 1, Iowa and United States

Crop	Iowa				United States			
	2002	2003	Indicated 2004	2004 / 2003	2002	2003	Indicated 2004	2004 / 2003
	Thousand acres			Percent	Thousand acres			Percent
Corn, all	12,200	12,400	12,500	101	78,894	78,736	79,004	100
Oats	290	220	200	91	4,995	4,601	4,312	94
Soybeans	10,450	10,600	10,700	101	73,963	73,404	75,411	103
Hay, all[1]	1,600	1,600	1,600	100	63,942	63,342	63,731	101
Wheat, all	20	21	26	124	60,318	61,700	59,462	96

[1]Acres for harvest.

Iowa Stocks of Grain, March 1, 2004

Corn stocks in all positions on March 1, 2004 totaled 1.17 billion bushels, down 1 percent from the 1.19 billion bushels on hand March 1 of last year. Of the total stocks, 62 percent were stored on-farm. The December 2003 - February 2004 disappearance totaled 479 million bushels, 11 percent below the 539 million bushels used last year.

Soybeans stored in all positions on March 1, 2004 totaled 199 million bushels, down 30 percent from the 286 million bushels on hand March 1, 2003. Of the total stocks, 50 percent were stored on-farm. Disappearance of soybean stocks for the December 2003 - February 2004 period was 106 million bushels, 12 percent below the 137 million bushels used last year.

Oat stocks stored on the farm on March 1, 2004 totaled 2.70 million bushels, 21 percent below the 3.40 million bushels on hand March 1, 2003. Oat stocks at off-farm facilities totaled 6.60 million bushels.

Stocks of Grain, March 1, Iowa and United States

Position and grain	Iowa Mar. 1 2003	Iowa Mar. 1 2004	Iowa Percent of previous year	United States Mar. 1 2003	United States Mar. 1 2004	United States Percent of previous year
	Thousand bushels		Percent	Thousand bushels		Percent
On-Farm Stocks						
Corn	720,000	720,000	100	2,940,000	3,030,000	103
Soybeans	160,000	100,000	63	636,500	355,900	56
Oats	3,400	2,700	79	35,000	45,600	130
Wheat	*	*		236,300	257,890	109
Off-Farm Stocks[1]						
Corn	465,788	448,611	96	2,191,873	2,240,641	102
Soybeans	126,226	99,153	79	565,528	549,623	97
Oats	4,859	6,575	135	47,879	49,469	103
Wheat	1,400	*		670,333	761,141	114
Total Stocks						
Corn	1,185,788	1,168,611	99	5,131,873	5,270,641	103
Soybeans	286,226	199,153	70	1,202,028	905,523	75
Oats	8,259	9,275	112	82,879	95,069	115
Wheat	*	*		906,633	1,019,031	112

[1] Includes stocks at interior mills, elevators, terminals, warehouses, and processors. * Data not published to avoid disclosure of individual operations.

Commercial Red Meat Production: United States[1]

Kind	Feb. 2003	Jan. 2004	Feb. 2004	Feb. 2004 as % of Feb. 2003	Feb. 2004 as % of Jan. 2004	Jan.-Feb.[2] 2003	Jan.-Feb.[2] 2004	Jan.-Feb.[2] 2004 as % of 2003
	- - - - - Million pounds - - - - -			Percent		- - - - Million pounds - - - -		Percent
Beef	1,942	*1,924	1,803	93	94	4,233	3,727	88
Veal	15.8	16.0	14.5	91	90	33.7	30.5	91
Pork	1,523	*1,758	1,571	103	89	3,275	3,329	102
Lamb & Mutton	15.1	15.4	14.8	98	96	31.1	30.2	97
Total Red Meat	3,496	*3,714	3,403	97	92	7,573	7,117	94

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

February Milk Production

Milk production in Iowa in February totaled 293 million pounds, down 3.0 percent from February 2003. The average number of milk cows, 194 thousand head, was 10,000 head below February 2003. Production per cow averaged 1,510 pounds, thirty pounds higher than production levels one year ago.

February Milk Cows and Milk Production

State	Milk cows[1] 2003	Milk cows[1] 2004	Milk per cow[2] 2003	Milk per cow[2] 2004	Milk production[2] 2003	Milk production[2] 2004	Milk production[2] '04 as % '03
	1,000 Head		Pounds		Million pounds		Percent
California	1,676	1,705	1,655	1,680	2,774	2,864	3.2
Illinois	114	108	1,485	1,520	169	164	-3.0
Iowa	**204**	**194**	**1,480**	**1,510**	**302**	**293**	**-3.0**
Minnesota	480	465	1,385	1,425	665	663	-0.3
Missouri	133	124	1,150	1,185	153	147	-3.9
Wisconsin	1,265	1,245	1,370	1,415	1,733	1,762	1.7
20 State Total[3]	7,811	7,720	1,489	1,531	11,628	11,822	1.7

[1]Includes dry cows. Excludes heifers not yet fresh. [2]Excludes milk sucked by calves. [3]The 20 states are Arizona, California, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, New Mexico, New York, Ohio, Pennsylvania, Texas, Vermont, Virginia, Washington, and Wisconsin.

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