Agri-News

Iowa Agricultural Statistics Service

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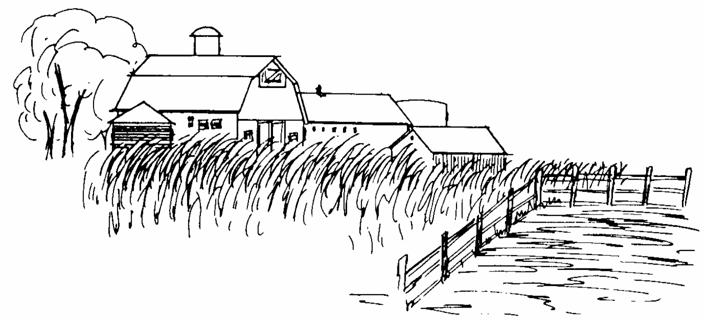

Iowa Crop Production, September 1

Iowa: Corn development has fallen behind normal but soybean development remains normal. Iowa experienced above normal temperatures at the end of August for the first time since early June.

Corn: The September 1 yield forecast of 163.0 bushels per acre is up 1.0 bushel from the August 1 forecast and up 6.0 bushels per acre from 2003. Production is forecast at 1.99 billion bushels for the state, up 6 percent from last year.

Soybeans: The September 1 yield forecast of 40.0 bushels per acre is down 2.0 bushels from the August 1 forecast but up 8.0 bushels per acre from 2003. If realized, soybean production would be 414.0 million bushels, up nearly 23 percent from last year's 337.6 production.

United States: Corn production is forecast at 11.0 billion bushels, up fractionally from last month and 8 percent above 2003. Based on conditions as of September 1, yields are expected to average 149.4 bushels per acre, up 0.5 bushel from August and 7.2 bushels above last year. If realized, both production and yield would be the largest on record. The previous record for both was set last year when production was estimated at 10.1 billion bushels and yield was 142.2 bushels per acre. Yields are forecast at record high levels in all Corn Belt States, except Minnesota and Wisconsin, as weather conditions have been mostly favorable throughout the growing season. However, brief periods of freezing temperatures in the northern Corn Belt and adjacent areas of the Great Plains raised concerns about the crop being able to fully develop before a killing frost occurs.

Soybean production is forecast at 2.84 billion bushels, down 1 percent from the August forecast but 17 percent above 2003. If realized, this would be the second highest production on record. Based on conditions as of September 1, yields are expected to average 38.5 bushels per acre, down 0.6 bushel from August. Below-normal temperatures and adequate moisture across most of the Corn Belt, the Great Plains, and the Delta in August favored the soybean crop during the critical stages of development. However, yield prospects declined in the northern tier of States due to cool weather. A brief period of freezing temperatures slowed the development of a crop already behind in maturity in North Dakota and Minnesota.

Reminder: All crop forecasts in this report are based on conditions on September 1 and do not reflect any possible weather effects since that time. The next corn and soybean production forecasts, based on conditions as of October 1, will be released on October 12.

September 1, 2004, Production Summary - Iowa and United States

Crop	For harvest		Yield per acre		Production	
	2003	2004[1]	2003	2004[1]	2003	2004[1]
IOWA	Thousand acres		Bushels		Thousand bushels	
Corn for grain	12,000	12,200	157.0	163.0	1,884,000	1,988,600
Soybeans	10,550	10,350	32.0	40.0	337,600	414,000
UNITED STATES						
Corn for grain	71,139	73,377	142.2	149.4	10,113,887	10,960,710
Soybeans	72,321	73,655	33.4	38.5	2,417,565	2,835,989

[1] Preliminary.

ECONOMIST CORNER

Livestock by John Lawrence
And
Grains by Robert Wisner
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LIVESTOCK

The hog market is continuing its seasonal slide to lower prices. Over the last ten years prices have generally declined from Labor Day to Thanksgiving and this year should be no exception. Demand for pork remains strong as supplies and prices are both higher than they were a year ago. Slaughter hog numbers are expected to increase seasonally through the fall and could have weeks with over 2.2 million head that may tax slaughter capacity. If demand remains strong enough to pull the product through the supply chain, packers will remain profitable and prices will weaken, but not collapse. Under these conditions, look for cash live hog prices to average in the mid-$40s for the fourth quarter. If demand weakens and pork is slow to move through retail, prices may weaken dramatically.

Fed cattle prices have declined from summer levels and averaged near $80 ahead of Labor Day. While seasonal price patterns forecast higher prices through the fall, feedlots have a marketing challenge ahead of them. Slaughter weights in late August were higher than in 2003 and the 5-year average and were within 11 pounds of the record for the week in 2002. Grading also reflects a marketing backlog. For the 8 weeks since the end of June the percent of cattle that were Yield Grade 4 or 5 increased 50% over a year ago while the percent of YG 1 and 2 was 5% lower. If feedlots catch up on marketings, fed cattle prices are forecast to return to the mid-to-upper $80s by late November. If the backlog continues or gets worse prices may struggle to remain in the low $80s through the fall.

GRAIN

With indicated U.S. corn production at a new record high of nearly 11 billion bushels, corn prices during the harvest season will likely drop modestly below local loan rates. Prices and the basis will probably be pressured by limited availability of storage space as the last 5% to 10% of the crop is harvested. Availability of rail transportation may also be limited. The post-harvest price recovery will be influenced strongly by the size of corn export sales. Sales for the past two months have lagged well behind other years when the marketing year exports exceeded 2 billion bushels. Sluggish export sales may reflect the increased supply of lower quality feed wheat available in foreign markets this year. Satellite imagery of crops in northern China suggests its production prospects may be better than in the last few years. China typically is the number two or number three corn exporter in the world. The strong increase in U.S. corn exports expected by trade analysts and USDA is based heavily on a projected sharp drop in Chinese corn exports for the year ahead. At least moderate strength in cash corn prices appears likely from late winter into the peak of the spring planting season, with the amount of strength depending on Chinese exports and U.S. weather prospects.

Late August frosts reduced potential North Dakota and Minnesota average soybean yields by 5 and 4 bushels per acre respectively from early August forecasts. The nation's soybean crop is forecast to be the second largest on record, 418 million bushels or 17% above last year's disappointing harvest. Combined production in Brazil and Argentina is projected to be up 21% or 677 million bushels from last spring's reduced production. While both the U.S. and South American production numbers may change some, the dominant market focus through harvest is almost certain to be the huge increase from last year in world production. Sharply increased world supplies likely will push cash soybean prices down near the loan rate as harvest accelerates. The Chicago equivalent of the loan rate is about $5.35 to $5.40 per bushel on November futures. Increasing export sales appear likely to strengthen cash soybean prices from late October through November.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Aug.[1] 2003	IOWA July[1] 2004	IOWA Aug.[2] 2004	U.S. July[1] 2004	U.S. Aug.[2] 2004
		- - - - - - - - - - Dollars	- - - - - - - - - -			
Corn	bu	2.04	2.48	2.15	2.51	2.27
Oats	bu	1.44	1.40	1.40	1.37	1.31
Soybeans	bu	5.62	8.58	6.45	8.46	6.34
Alfalfa, Baled	ton	75.00	82.00	84.00	98.40	97.40
All Hay, Baled	ton	73.00	78.00	81.00	90.40	89.80
All Hogs	cwt	36.20	59.00	58.20	57.10	56.00
Sows	cwt	32.70	54.20	53.60	49.20	49.40
Brws & Gilts	cwt	36.30	59.10	58.30	57.50	56.30
Beef Cattle	cwt	78.90	83.20	83.40	88.50	88.10
Cows	cwt	45.10	57.00	53.20	53.60	55.50
Strs & Hfrs	cwt	79.60	83.70	84.00	91.80	91.50
Calves	cwt	99.50	116.00	114.00	131.00	131.00
Milk Cows [3]	hd	--	1,700	--	1,720	--
Milk (whls)	cwt	13.60	16.70	16.00	16.33	15.00
Sheep	cwt	30.40	43.60	--	37.40	--
Lambs	cwt	84.50	95.00	--	102.00	--
Eggs (mkt)	doz	0.619	0.35	0.29	0.399	0.334

[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 Aug. 2003	IOWA July 2004	IOWA Aug.[1] 2004	UNITED STATES Aug. 2003	UNITED STATES July 2004	UNITED STATES Aug.[1] 2004
			1990-92=100[2]			
Prices rec'd.	93	123	110	109	124	120
Crops	95	129	104	113	120	118
Lvstk Prods.	91	117	115	105	128	122
			1910-14=100[3]			
Prices rec'd.	--	--	--	694	790	764
Crops	--	--	--	559	593	582
Lvstk Prods.	--	--	--	809	982	938

[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	Aug. 2003	July 2004	Aug. 2004	Aug. 2003	July 2004	Aug. 2004
	1990-92=100			1910-14=100		
Prices paid[1]	127	134	135	1691	1789	1792
Feed	108	125	125	525	612	612
Ratio[2]	41	44	43	86	93	89

[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.

July Layers and Egg Production

Iowa: Egg production in Iowa for July 2004 was 1,016 million eggs, up 10 percent from the same period a year ago. The total number of layers on hand during July 2004 was 45.0 million, up 12 percent from 39.4 million layers in July 2003. Eggs per 100 layers for the month of July was 2,260, down from 2,318 eggs the previous year.

United States: U.S. egg production totaled 7.54 billion during July 2004, up 2 percent from last year. Production included 6.45 billion table eggs, and 1.10 billion hatching eggs, of which 1.04 billion were broiler-type and 56.0 million were egg-type. The total number of layers during July 2004 averaged 342 million, up 2 percent from a year earlier. July egg production per 100 layers was 2,207 eggs, down slightly from July 2003.

July 2004 contained 22 weekdays, 5 Saturdays, 1 holiday compared to July 2003 which contained 23 weekdays, 4 Saturdays and 1 holiday.

All Layers and Egg Production, July 2003 and 2004[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]	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	Thousands				Number		Million eggs					
AR	4,437	4,181	15,361	14,462	1,894	1,908	291	276	99	94	192	182
CA	19,485	20,073	19,921	20,558	2,259	2,233	450	459				
GA	10,953	10,965	20,337	20,076	2,065	2,117	420	425	246	251	174	174
IN	21,686	23,474	22,281	24,214	2,262	2,234	504	541	493	529	11	12
IA	38,593	44,271	39,391	44,963	2,318	2,260	913	1,016				
MN	10,393	10,103	11,003	10,638	2,281	2,322	251	247	242	239	9	8
NE	11,636	11,496	11,736	11,571	2,326	2,307	273	267	273	267	0	0
NC	3,390	3,317	10,663	10,817	2,026	1,960	216	212	85	79	131	133
OH	28,347	27,278	28,842	27,755	2,254	2,245	650	623				
PA	22,457	22,340	24,223	24,139	2,348	2,357	569	569	553	551	16	18
TX	14,010	13,679	18,239	18,124	2,204	2,251	402	408				
30 Sts[4]	252,931	260,587	311,824	319,285	2,217	2,209	6,913	7,053	5,914	6,052	999	1,000
U.S.	269,374	276,967	334,179	341,897	2,215	2,207	7,403	7,544	6,316	6,449	1,086	1,095

[1]2004 preliminary, 2003 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. [4] The 30 States are those listed as well as AL, CO, CT, FL, HI, IL, ME, MD, MI, MS, MO, NY, OK, OR, SC, SD, VA, WA, and WI.

July Livestock Slaughter

Iowa: Commercial red meat production in Iowa during July 2004 totaled 523.7 million pounds, up 5 percent from July 2003. There were 2.37 million hogs slaughtered in July 2004, up 4 percent from the same month last year. The average live weight of hogs slaughtered was 265 pounds, up 2 pounds from last year.

United States: Commercial red meat production for the United States totaled 3.71 billion pounds in July, down 8 percent from the 4.05 billion pounds produced in July 2003.

Beef production, at 2.10 billion pounds, was 14 percent below the previous year. Cattle slaughter totaled 2.79 million head, down 15 percent from July 2003. The average live weight was up 14 pounds from the previous year, at 1,239 pounds. Pork production totaled 1.58 billion pounds, down slightly from the previous year. Hog kill totaled 8.09 million head, slightly below July 2003. The average live weight was unchanged the previous year, at 262 pounds.

July 2003 contained 23 weekdays (including one holiday) and 4 Saturdays. July 2004 contained 22 weekdays (including one holiday) and 5 Saturdays.

Commercial Red Meat Production: United States[1]

Class	July 2003	June 2004	July 2004	July 2004 as % of July 2003	July 2004 as % of June 2004	Jan. - July[2] 2003	Jan. - July[2] 2004	2004 as % of 2003
	Million pounds			Percent		Million pounds		Percent
Beef	2,439	2,227	2,104	86	94	15,623	14,193	91
Veal	14.8	13.4	13.4	91	100	111.7	99.0	89
Pork	1,580	1,672	1,576	100	94	11,221	11,604	103
Lamb & mutton	15.7	15.5	14.2	90	91	114.8	112.5	98
Total red meat	4,050	3,928	3,708	92	94	27,070	26,008	96

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

U.S. Corn and Soybean Supply and Demand

CORN	2002/ 2003	2003/ 2004 (Est.)	2004/05[1] Projections Sept.
	Million bushels		
Beginning stocks	1,596	1,087	954
Production	8,967	10,114	10,961
Imports	14	13	15
Supply, total	**10,578**	**11,214**	**11,929**
Feed & Residual	5,563	5,800	5,850
Food, Seed, & Industrial	2,340	2,575	2,770
Domestic, total	**7,903**	**8,375**	**8,620**
Exports	1,588	1,885	2,100
Use, total	**9,491**	**10,260**	**10,720**
Ending stocks, total	**1,087**	**954**	**1,209**
Avg. market price ($/bu)	2.32	2.40	2.00-2.40

SOYBEANS	2002/ 2003	2003/ 2004 (Est.)	2004/05[1] Projections Sept.
	Million bushels		
Beginning stocks	208	178	105
Production	2,756	2,418	2,836
Imports	5	6	6
Supply, total	**2,969**	**2,602**	**2,947**
Crushings	1,615	1,535	1,615
Exports	1,044	885	1,000
Seed	89	91	90
Residual	41	-15[2]	53
Use, total	**2,791**	**2,497**	**2,758**
Ending stocks	**178**	**105**	**190**
Avg. market price ($/bu)	5.53	7.35	5.35-6.25

[1] Preliminary. [2] Supply estimates and reported use through June, coupled with USDA's June 1 stocks estimate, indicate a below-average residual.

Iowa District Estimates

Corn, 2003-2004[1]

District	Harvested 2003	Harvested 2004[2]	Yield/acre 2003	Yield/acre 2004[3]	Production 2003	Production 2004
	Thousand acres		Bushels		Thousand bushels	
NW	1,804	1,838	163.5	165.0	295,000	303,325
NC	1,717	1,762	164.2	164.0	282,000	289,000
NE	1,393	1,444	153.6	164.0	214,000	236,875
WC	1,742	1,754	152.1	158.0	265,000	277,200
C	1,774	1,765	168.0	172.0	298,000	303,650
EC	1,268	1,324	168.8	168.0	214,000	222,475
SW	965	987	128.5	149.0	124,000	147,100
SC	485	486	127.8	143.0	62,000	69,500
SE	852	840	152.6	166.0	130,000	139,475
STATE	12,000	12,200	157.0	163.0	1,884,000	1,988,600

Soybeans, 2003-2004[1]

District	Harvested 2003	Harvested 2004[2]	Yield/acre 2003	Yield/acre 2004[3]	Production 2003	Production 2004
	Thousand acres		Bushels		Thousand bushels	
NW	1,704	1,670	36.0	41.0	61,428	68,090
NC	1,480	1,525	31.2	38.0	46,191	57,950
NE	927	925	26.7	40.0	24,787	37,000
WC	1,655	1,545	33.2	41.0	54,884	62,800
C	1,550	1,525	32.9	42.0	50,943	63,995
EC	975	925	31.9	39.0	31,095	36,100
SW	976	945	29.5	39.0	28,757	36,855
SC	510	495	27.0	36.0	13,786	17,820
SE	773	795	33.3	42.0	25,729	33,390
STATE	10,550	10,350	32.0	40.0	337,600	414,000

[1] Preliminary. [2] Harvest for grain. [3] Yield rounded.

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