Montana Crop & Livestock Reporter

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HIGHLIGHTS:

Small Grains Production
Potato Acreage
Dry Edible Peas & Lentils Forecast
Sweet Cherry Forecast
Wheat Supply & Demand Estimates
Ag Prices Received

July Crop Production

Based on July 1 conditions, Montana's **all wheat production** is expected to be 147.7 million bushels, up 7% from last year The area for harvest is expected to be 4.84 million acres, unchanged from the June Acreage report, but down 4% from last year.

The forecasted **winter wheat** yield, at 38.0 bushels per acre, is up 4 bushels from last month's forecast and up 1 bushel from last year. Production is forecast at 58.9 million bushels, down 7% from last year due to lower harvested acres. Winter wheat conditions have improved substantially from last month and were rated 4% very poor, 11% poor, 29% fair, 48% good and 8% excellent for the week ending July 4. Crop development is behind normal as the crop was rated 20% turning color for the week ending July 4, compared with 54% last year and 38% for the 5-year average.

The first **spring wheat** production forecast is 72.9 million bushels, up 23% from last year's production due to higher expected yields. The harvested acres are expected to be 2.7 million, the same as 2003. The expected yield of 27.0 bushels per acre is up 5 bushels per acre from last year. For the week ending July 4, spring wheat conditions are rated slightly higher than 2003 at 3% very poor, 10% poor, 23% fair, 58% good, and 6% excellent. **Durum wheat** production is forecast at 15.9 million bushels, up 10% from last year due to higher expected yield. Harvested acreage is expected to be 590,000 acres, down 6% from 2003. The expected yield of 27.0 bushels per acre is up 4 bushels from last year.

Barley yields are expected to average 51.0 bushels per acre in 2004, 12 bushels better than last year. Barley production is forecast to be 39.8 million bushels compared with 31.6 million bushels produced last year. Growers expect to harvest 780,000 acres, down 30,000 acres from 2003. For the week ending July 4, barley condition was rated 1% very poor, 5% poor, 32% fair, 50% good and 12% excellent. Crop development is about the same progress as last year, with 77% reaching boot stage by July 4, and 43% of the crop is headed. The 5-year average for boot stage and headed is 71% and 45%, respectively. **Oats** producers expect to harvest 2.2 million bushels of grain, 9% more than was produced last year. The 2004 area for harvest is expected to be 45,000 acres, unchanged from 2003. The expected yield of 48.0 bushels is 4 bushels better than last year's yield.

Montana **potato** producers planted 10,700 acres during 2004, unchanged from last year. The first forecast of potato production will be on November 12, 2004. Pulse crop growers increased their acreage this year. **Dry edible pea** planted acreage is 50,000 acres with producers expecting to harvest 40,000 of those acres. Last year, growers planted 33,000 acres of dry edible peas and harvested 31,000 acres. **Lentil** growers planted 38,000 acres this year, up 27% from last year. Producers are expecting to harvest 35,000 of those acres. Last year 30,000 acres of lentils were planted, while 26,000 acres were harvested. **Austrian winter pea** planted acreage is up slightly from last year. During 2004, 10,000 acres were planted, while 9,500 were planted last year. Only 5,000 acres of this year's crop are expected to be harvested as peas, with the remaining acreage being hayed or grazed.

Winter wheat production in the United States is forecast at 1.47 billion bushels. This is down 4 percent from last month and 14 percent below 2003. The U.S. yield is forecast at 42.2 bushels per acre, down 1.4 bushels from last month. **Durum wheat** production is forecast at 88.6 million bushels, down 8 percent from 2003. The U.S. yield is forecast at 33.2 bushels per acre, 0.5 bushel less than last year. Durum wheat area for 2004 grain harvest is expected to total 2.67 million acres, down 7 percent from last year. **Other Spring wheat** production is forecast at 501 million bushels, down 6 percent from 2003. The U.S. yield is forecast at 37.9 bushels per acre, 1.8 bushels lower than last year. Of the total production, 459 million is Hard Red Spring wheat, down 8 percent from last season

U.S. **barley** production for 2004 is forecast at 264 million bushels, 5 percent below 2003. Based on conditions as of July 1, the average yield is forecast at 63.5 bushels per acre, up 4.6 bushels from last year. Area for harvest, at 4.15 million acres, is down 11 percent from 2003.

Oats production for the U.S. is forecast at 122 million bushels, 16 percent below last year's 145 million bushels. The forecasted yield is 62.9 bushels per acre, down 2.1 bushels from 2003. Expected area for harvest is 1.94 million acres, down 13 percent from last year.

Nationally, planted acreage of **lentils** in Idaho, Montana, North Dakota, and Washington is estimated at 300,000 acres, up 22 percent from last year and 33 percent above 2002. Harvested acreage is forecast at 293,000, up 24 percent from last year. U.S. planted acreage of **dry edible peas** for 2004 is estimated at 480,000 acres, up 42 percent from last year and 55 percent above 2002. Harvested area is forecast at 454,000 acres, up 38 percent from last year. **Austrian winter peas** planted area in Idaho, Montana, and Oregon is estimated at 25,500 acres, up 21 percent from 2003 and 10 percent above the 2002 season. Harvested area is forecast at 16,600 acres, up 6 percent from last year and 28 percent above two years ago.

Area planted to fall **potatoes** for 2004 in the United States is estimated at 1.04 million acres, down 6 percent from last year and 8 percent below 2002. Harvested acres are forecast at 1.02 million, down 6 percent from 2003 and 7 percent below two years ago. (See table on page 2)

July 1, 2004 Crop Production Forecast, Montana and U.S.

Crop	Unit	Acres Planted		Acres Harvested		Yield		Production	
		2003	2004 1/	2003	2004 1/	2003	2004 1/	2003	2004 1/
		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu.	1,800	1,850	1,720	1,550	37.0	38.0	63,640	58,900
Durum Wheat	Bu.	640	600	630	590	23.0	27.0	14,490	15,930
Spring Wheat	Bu.	2,850	2,850	2,700	2,700	22.0	27.0	59,400	72,900
All Wheat	Bu.	5,290	5,300	5,050	4,840	27.2	30.5	137,530	147,730
Corn for Grain 2/	Bu.	65.0	60.0	17.0	15.0	140.0	5/	2,380	5/
Oats	Bu.	120	110	45.0	45.0	44.0	48.0	1,980	2,160
Barley	Bu.	1,100	1,000	810	780	39.0	51.0	31,590	39,780
Flaxseed	Bu.	17.0	16.0	17.0	15.0	13.0	5/	221	5/
Dry Beans	Cwt.	13.0	18.0	12.8	17.0	18.2	3/	233	3/
Dry Peas	Cwt.	33.0	50.0	31.0	40.0	14.5	5/	450	5/
Lentils	Cwt.	30.0	38.0	26.0	35.0	10.5	5/	273	5/
Aus. Winter Peas	Cwt.	9.5	10.0	7.0	5.0	8.0	5/	56	5/
Sugar Beets	Ton	51.7	53.4	51.5	53.0	25.4	3/	1,308	3/
Fall Potatoes	Cwt.	10.7	10.7	10.6	10.6	315.0.	4/	3,339	4/
Alfalfa Hay	Ton	--	--	1,600	1,600	2.10	3/	3,360	3/
All Other Hay	Ton	--	--	850	950	1.50	3/	1,275	3/
All Hay	Ton	--	--	2,450	2,550	1.89	3/	4,635	3/
UNITED STATES		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu.	44,945	43,450	36,541	34,825	46.7	42.2	1,707,069	1,469,735
Durum Wheat	Bu.	2,915	2,742	2,869	2,671	33.7	33.2	96,637	88,571
Spring Wheat	Bu.	13,840	13,677	13,429	13,210	39.7	37.9	532,820	500,765
All Wheat	Bu.	61,700	59,869	52,839	50,706	44.2	40.6	2,336,526	2,059,071
Corn for Grain 2/	Bu.	78,736	80,968	71,139	73,362	142.2	3/	10,113,887	3/
Oats	Bu.	4,601	4,220	2,224	1,938	65.0	62.9	144,649	121,860
Barley	Bu.	5,299	4,666	4,688	4,152	58.9	63.5	226,087	263,502
Flaxseed	Bu.	595	629	583	608	3/	5/	10,426	5/
Dry Beans	Cwt.	1,406.1	1,424.2	1,346.9	1,325.2	16.7	3/	22,515	3/
Dry Peas	Cwt.	337.5	480.0	328.5	454.0	15.6	5/	5,202	5/
Lentils	Cwt.	246.0	300.0	237.0	293.0	10.1	5/	2,442	5/
Aus. Winter Peas	Cwt.	21.1	25.5	15.6	16.6	12.4	5/	183	5/
Sugar Beets	Ton	1,365.4	1,340.5	1,347.9	1,310.4	22.2	3/	30,605	3/
Fall Potatoes	Cwt.	1,107.6	1,037.8	1,092.0	1,022.8	377	4/	411,386	4/
Alfalfa Hay	Ton	--	--	23,578	22,226	3.34	3/	76,307	3/
All Other Hay	Ton	--	--	39,764	39,363	2.01	3/	80,816	3/
All Hay	Ton	--	--	63,342	61,589	2.50	3/	157,123	3/

1/ Preliminary. 2/ Planted for all purposes. 3/ Forecast available August 12, 2004. 4/ Forecast available November 12, 2004. 5/ Forecast available January 12, 2005 -- Not published.

U.S. Wheat Supply and Demand

Projected U.S. 2004/05 ending stocks of wheat are nearly unchanged from last month. Total wheat production is forecast at 2.059 billion bushels, down slightly from last month and down 277 million bushels from last year. Forecast winter wheat production is 61 million bushels below last month due to lower yields. The first survey-based spring wheat (including durum) production forecast is up from last month's projection due to larger planted area estimates in the June 30 Acreage report and a higher yield. In addition, the harvested-to-planted ratio is higher than assumed last month. Supplies are nearly unchanged from last month with larger reported carryin stocks but imports 5 million bushels lower. Expected use is fractionally lower than last month. Ending stocks are down 1 million bushels from last month and down 52 million bushels from last year. The projected 2004/05 price range is $3.20 to $3.80 per bushel, down 5 cents on each end of the range from last month.

Projected 2004/05 world wheat production is up from last month and although use also increases, ending stocks are up nearly 6 million tons from last month and are almost 2 million tons above the previous year. This would be the first year-to-year increase in ending stocks since 1999/2000. Foreign production is up from last month with notable increases forecast for China, the EU-25, Romania, and Russia. Global trade and consumption are little changed from last month with the notable exception of a 0.5-million-ton increase forecast for Pakistan's imports. Also, Morocco's imports rise and Romania's imports fall from last month's projections. Because of a larger crop and an increase in carryin stocks, China's supplies are up 2.5 million tons from last month. The increased supply is expected to boost ending stocks from last month's projection, but stocks will be down 8 million tons year-to-year. Similarly, the nearly 1-million-ton increase in EU-25 production, although partially offset by a decline in carryin stocks, is forecast to result in an increase in ending stocks. Relative to last month, the ending stocks of Russia are up due to increased production and Kazakhstan's stocks are up due to larger beginning stocks. (See table on back page.)

2004 Sweet Cherry Production

The Montana sweet cherry crop is forecast at 2,200 tons, 15 percent above last year but 6 percent less than 2002. Montana's cherry growing region experienced a warm, early spring and adequate precipitation which contributed to a good bloom. Some growers experienced frost damage during May resulting in bloom damage and reduced production potential. Most growers in Flathead and Lake counties have seen favorable crop conditions thus far. Growers are expecting the outcome of the crop to vary by cherry variety.

U.S. sweet cherry production is forecast at 276,550 tons, up 17 percent from 2003 and 52 percent above 2002. The Washington crop, at a record high production of 130,000 tons, is down 4 percent from the June 1 forecast but is 12 percent above 2003. Washington's cherry crop experienced unusually warm conditions during the spring, which contributed to a good bloom. Most growers are reporting crop sizes equal to or greater than a year ago. Rain in early June caused some crop loss due to splitting. Production in California is forecast at 65,000 tons, 5 percent more than last year. Adequate chilling hours and ideal weather conditions during bloom and the growing season have contributed to this production increase. Harvest began in late April and continued through the second week of June. Fruit quality is reported to be excellent. The sweet cherry crop in Oregon is forecast at 43,000 tons, unchanged from the previous forecast but up 13 percent from 2003. Bing harvest began mid-June in The Dalles and the Hood River Valley. Early variety harvest began the first full week of June.

Agricultural Prices Received

May 2004 full month crop prices were mostly higher compared with April 2004. Montana's winter wheat average price was $3.88 per bushel, up $0.11 from the previous month; spring wheat price was up $0.05 to $4.04 per bushel; and durum wheat prices rose $0.21 to $4.36 per bushel. Feed barley prices dropped $0.07 from the previous month to $2.01 per bushel.

The mid-June price for alfalfa hay rose $1.00 from May 2004 to $73.00 per ton and all other hay increased $2.00 to $69.00 per ton. Mid-June grain prices were mixed with winter wheat averaging $3.68 per bushel, spring wheat was $3.93 per bushel, durum wheat was $4.30 per bushel, and feed barley was $2.09 per bushel.

Livestock prices for the full month of May were all higher from the previous month. Steer and heifer prices increased $3.80 to $99.00 per cwt., reaching an all-time high, while cows increased $2.90 to $55.10. The average price for calves increased to $117.00 per cwt. Sheep prices rose $4.70 to $39.50 per cwt. while lamb prices increased $4.00 to $111.00 per cwt. Milk prices increased $0.50 per cwt from April to $15.00 per cwt. Mid-month June steer and heifer prices averaged $105.00 per cwt.; cows averaged $56.60 per cwt.; calves averaged $118.00 per cwt.; and milk prices averaged $15.20 per cwt.

Nationally, prices for May and changes from April were as follows: winter wheat was down $0.07 at $3.72; spring wheat was $4.01, up $0.07; durum wheat was $4.21, down $0.01; the all barley price was $2.78, unchanged, and steer and heifer prices were $92.60, down $3.70 per cwt. The U.S. mid-June winter wheat price was $3.49 per bushel, spring wheat was $3.82 per bushel, durum wheat was $4.17 per bushel, all wheat was $3.55 per bushel, malt barley was $3.08 per bushel, feed barley was $2.21 per bushel, and all barley was $2.68. Steer and heifer prices were $93.30 per cwt, cow prices were $52.90, calves were $124.00 per cwt., all hog prices were $56.70 per cwt, and all market egg prices were $0.496 per dozen. The preliminary All Farm Products Index of Prices Received by Farmers in June at 129, based on 1990-92=100, is unchanged from the May Index, but up 22 points (21 percent) from June 2003.

United States Index Summary

INDEX (1990-92=100)	May 2003	June 2003	May 2004	June 2004
Prices Received	105	107	129	129
Prices Paid, Interest, Taxes, & Farm Wage Rages 1/	127	128	134	135
Ratio 2/	83	84	96	96

1/ Prices paid indexes (1990-92=100) published monthly. 2/ Ratio of index of prices received by farmers to index of prices paid.

Montana Average Farm Prices Received

Commodity	UNIT	Monthly Average				Change From Previous		Mid-Month Average	
		Montana			U.S.	Month	Year	Montana	U.S.
		May 2003	April 2004	May 2004	May 2004	April 2004	May 2003	June 15, 2004	June 15, 2004
		Dollars							
Winter Wheat	Bu.	3.38	3.77	3.88	3.72	+0.11	+0.50	3.68	3.49
Durum Wheat	Bu.	4.37	4.15	4.36	4.21	+0.21	-0.01	4.30	4.17
Spring Wheat	Bu.	3.65	3.99	4.04	4.01	+0.05	+0.39	3.93	3.82
All Wheat	Bu.	3.64	3.93	4.02	3.82	+0.09	+0.38	3.87	3.55
Barley, All	Bu.	2.44	2.84	2.81	2.78	-0.03	+0.37	2.74	2.68
Feed Barley	Bu.	2.13	2.08	2.01	2.39	-0.07	-0.12	2.09	2.21
Malt Barley	Bu.	3.19	3.17	N/A	3.14	N/A	N/A	N/A	3.08
Oats	Bu.	2.03	2.04	1.67	1.70	-0.37	-0.36	N/A	1.55
Alfalfa Hay	Ton	79.00	70.00	72.00	109.00	+2.00	-7.00	73.00	102.00
All Other Hay	Ton	68.00	67.00	67.00	74.90	N/C	-1.00	69.00	76.90
All Hay Baled	Ton	78.00	69.00	71.00	101.00	+2.00	-7.00	73.00	95.20
Steers & Heifers	Cwt	84.00	95.20	99.00	92.60	+3.80	+15.00	105.00	93.30
Cows	Cwt	45.60	52.20	55.10	52.40	+2.90	+9.50	56.60	52.90
Beef Cattle 1/	Cwt	66.00	79.70	81.90	88.40	+2.20	+15.90	79.80	89.40
Calves	Cwt	99.00	114.00	117.00	121.00	+3.00	+18.00	118.00	124.00
Sheep 2/	Cwt	33.90	34.80	39.50	36.50	+4.70	+5.60	N/A	N/A
Lambs 2/	Cwt	100.00	107.00	111.00	103.00	+4.00	+11.00	N/A	N/A
All Milk	Cwt	11.10	14.50	15.00	19.40	+0.50	+3.90	15.20	18.40

1/ Composite of steers, heifers, and cows. 2/ Mid-month prices for sheep and lambs discontinued January 1996.

Wheat: Supply, Disappearance, and Price, United States, 1988-2004

Year Beginning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
	Beginning Stocks	Production	Imports 1/	Total	Domestic Use				Exports 1/	Total Disappearance		
					Food	Seed	Feed 2/	Total				
	---Million Bushels---											$
1988 . .	1,261	1,812	23	3,096	715	103	157	975	1,419	2,394	702	3.72
1989 . .	702	2,037	23	2,765	749	104	139	992	1,233	2,225	536	3.72
1990 . .	536	2,730	36	3,302	790	93	482	1,365	1,068	2,434	868	2.61
1991 . .	868	1,980	41	2,888	789	94	244	1,127	1,280	2,412	475	3.00
1992 . .	475	2,467	70	3,012	834	99	194	1,128	1,354	2,481	531	3.24
1993 . .	531	2,396	109	3,036	872	96	272	1,240	1,228	2,467	568	3.26
1994 . .	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45
1995 . .	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996 . .	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997 . .	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998 . .	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999 . .	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000 . .	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001 . .	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002 . .	777	1,606	77	2,460	918	84	113	1,115	854	1,969	491	3.56
2003 . .	491	2,337	70	2,898	900	80	217	1,197	1,155	2,352	546	3.40
2004 . 3/	546	2,059	60	2,665	915	81	200	1,196	975	2,171	494	3.20-3.80

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary. SOURCE: World Agricultural Supply and Demand Estimates, July, 2004--ERS. Totals may not add due to independent rounding.

COMING IN NEXT REPORTER

- Mink
- Quarterly Milk Production
- Wheat & Barley Varieties
- Cattle Inventory
- Cattle on Feed
- Sheep Inventory
- Red Meat Production
- Egg Production

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