Montana Crop & Livestock Reporter

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HIGHLIGHTS:

August 1 Crop Production
Ag Land Values and Cash Rents
Ag Prices Received
Sheep County Estimates Available
Farm Production Expenditures

August Crop Production

Montana's **all wheat production** is expected to be 7 percent higher than last month's forecast, and 14 percent higher than last year's drought-reduced crop. Based on August 1 conditions, producers expect to harvest 157.4 million bushels of all wheat, up from the 137.5 million bushels harvested last year and 9.7 million bushels above July's forecast. The area for harvest is expected to be 4.8 million acres, unchanged from last month, but down 4 percent from last year. This is the last forecast until the final small grains summary is published on September 30, 2004.

The forecasted **winter wheat** yield, at 40.0 bushels per acre, is up 2 bushels from July, and is 3 bushels per acre higher than last year. Production is forecast to be 62.0 million bushels, down from 63.6 million bushels last year, but up 3.1 million bushels from July. Acreage expected to be harvested is unchanged from the July forecast, but is down 170,000 acres from last year to 1,550,000 acres. Harvest is underway with 38 percent complete compared with 76 percent last year and 66 percent for the five-year average.

Spring wheat production forecast is 78.3 million bushels, up 32 percent from last year's production. The expected yield of 29.0 bushels per acre is up 2 bushels from last month, and up 7 bushels from last year. Acres for harvest are unchanged from July at 2.7 million and the same as last year. Harvest is underway with 2 percent complete compared with 18 percent last year and 16 percent for the five-year average. **Durum wheat** production is forecast to be 17.1 million bushels, up 18 percent from last year, and up 7 percent from July. The expected yield of 29.0 bushels per acre is 2 bushels higher than last month, and 6 bushels more than the 2003 average. Harvested acres are down 6 percent from 2003 at 590,000.

Barley yields are expected to average 51.0 bushels per acre in 2004, 12 bushels better than last year, but unchanged from July. Barley production is forecast to be 39.8 million bushels compared with 31.6 million produced last year. Growers expect to harvest 780,000 acres, down 3,000 from 2003. Harvest was reported to be 9 percent complete compared with 20 percent last year and 21 percent for the five-year average.

Oat producers expect to harvest 2.3 million bushels of grain, 16 percent more than last year. The 2004 area for harvest is expected to be 45,000 acres, unchanged from 2003. The expected yield of 51.0 bushels is 7 bushels more than last year's yield and up 3 bushels from July. Harvest was reported to be 6 percent complete compared with 23 percent last year and 18 percent for the five-year average.

Sugar beet production is forecast to be 1.1 million tons, down 15 percent from last year. The expected yield, at 21.0 tons per acre, is down 17 percent from the 25.4 tons per acre last year. Producers are expecting to harvest 53,000 acres, up 1,500 acres from last year. **All dry edible bean** growers expect to harvest 17,000 acres this year, up 33 percent from last year's figure but are unchanged from July. Yield is estimated at 20.0 cwt., 2.0 cwt. per acre better than the previous year. All dry bean production is expected to be 340,000 cwt., up 46 percent from last year's figure.

Alfalfa hay is expected to yield 2.0 tons per acre in 2004, down 0.1 ton per acre from the previous year. Growers plan to harvest 1.6 million acres, unchanged from last year. Production is expected at 3.2 million tons, a 5 percent decrease from the 2003 production figure. As of August 8, 100 percent of first cutting and 28 percent of second cutting had been completed for alfalfa hay. The average yield for **other hay** is forecast to be 1.6 tons per acre, up 0.1 ton per acre from last year. Production of other hay is forecast at 1.5 million tons, a 19 percent increase from 2003. As of August 8, 96 percent of first cutting and 18 percent of second cutting of other hay had been completed.

In the United States, **winter wheat** production forecast is 1.49 billion bushels. This is up 1 percent from last month, but 13 percent below 2003. The U.S. yield is forecast at 42.8 bushels per acre, up 0.6 bushel from last month. Hard Red Winter, at 853 million bushels, is up 2 percent from a month ago. Soft Red Winter is down 1 percent from last forecast, at 380 million bushels. White Winter is up 3 percent from last month and totals 256 million bushels.

Nationally, **other spring wheat** production is forecast at 545 million bushels, up 9 percent from last month and 2 percent above 2003. The U.S. yield is forecast at 41.2 bushels per acres, 3.3 bushels more than on July 1. Of the production total, 502 million is Hard Red Spring wheat, up 9 percent from last month.

Durum wheat production is forecast at 89.0 million bushels, up less than 1 percent from last month but down 8 percent from 2003. The U.S. yield is forecast at 35.3 bushels per acre, 2.1 bushels more than last month.

U.S. **barley** production for 2004 is forecast at 273 million bushels, up 4 percent from the July forecast but 1 percent below 2003. Based on August 1 conditions, producers expect to harvest an average of 65.7 bushels per acre, up 2.2 bushels from July and up 6.8 bushels from last year. If realized this would be a record high yield.

Oats production is forecast in the U.S. at 128 million bushels, 5 percent above the July 1 forecast, but 12 percent below last year's 145 million bushels. The forecasted yield is 66.0 bushels per acre, 3.1 bushels above last month and up 1.0 bushel from 2003. If realized, this would be a record high yield.

U.S. **dry edible bean** production is forecast at 21.3 million cwt in 2004, down 5 percent from last year and 30 percent below two years ago. The average U.S. yield is forecast at 1,639 pounds per acre, a loss of 33 pounds from last year and 104 pounds less than two years ago.

Alfalfa hay and alfalfa mixtures production is forecast at 77.3 million tons, up 1 percent from last year. Yields are expected to average 3.48 tons per acre, 0.24 ton above last year. **Other hay** production in the U.S. is forecast at 84.5 million tons, up 5 percent from 2003. Based on August 1 conditions, yields are expected to average 2.15 tons per acre. If realized, this would be a record high yield, breaking last year's previous record of 2.03 tons.

U.S. **sugar beets** production for 2004 is forecast at 28.4 million tons. If realized, this would be 7 percent below last year's production.

August 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	40.0	63,640	62,000
Durum Wheat	Bu.	640	600	630	590	23.0	29.0	14,490	17,110
Spring Wheat	Bu.	2,850	2,850	2,700	2,700	22.0	29.0	59,400	78,300
All Wheat	Bu.	5,290	5,300	5,050	4,840	27.2	32.5	137,530	157,410
Corn for Grain 2/	Bu.	65.0	60.0	17.0	15.0	140.0	4/	2,380	4/
Oats	Bu.	120	110	45.0	45.0	44.0	51.0	1,980	2,295
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	4/	221	4/
Dry Beans	Cwt.	13.0	18.0	12.8	17.0	18.2	20.0	233	340
Dry Peas	Cwt.	33.0	50.0	31.0	40.0	14.5	4/	450	4/
Lentils	Cwt.	30.0	38.0	26.0	35.0	10.5	4/	273	4/
Aus. Winter Peas	Cwt.	9.5	10.0	7.0	5.0	8.0	4/	56	4/
Sugar Beets	Ton	51.7	53.4	51.5	53.0	25.4	21.0	1,308	1,113
Fall Potatoes	Cwt.	10.7	10.7	10.6	10.6	315.0.	3/	3,339	3/
Alfalfa Hay	Ton	--	--	1,600	1,600	2.10	2.00	3,360	3,200
All Other Hay	Ton	--	--	850	950	1.50	1.60	1,275	1,520
All Hay	Ton	--	--	2,450	2,550	1.89	1.85	4,635	4,720
UNITED STATES		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu.	44,945	43,450	36,541	34,825	46.7	42.8	1,707,069	1,489,408
Durum Wheat	Bu.	2,915	2,592	2,869	2,521	33.7	35.3	96,637	88,951
Spring Wheat	Bu.	13,840	13,677	13,429	13,210	39.7	41.2	532,820	544,535
All Wheat	Bu.	61,700	59,719	52,839	50,556	44.2	40.6	2,336,526	2,122,894
Corn for Grain 2/	Bu.	78,736	80,968	71,139	73,377	142.2	148.9	10,113,887	10,923,099
Oats	Bu.	4,601	4,220	2,224	1,938	65.0	66.0	144,649	127,950
Barley	Bu.	5,299	4,666	4,688	4,152	58.9	65.7	276,087	272,824
Flaxseed	Bu.	595	629	583	608	17.9	4/	10,426	4/
Dry Beans	Cwt.	1,406.1	1,360.4	1,346.9	1,301.1	16.7	16.4	22,515	21,323
Dry Peas	Cwt.	337.5	480.0	328.5	454.0	15.6	4/	5,202	4/
Lentils	Cwt.	246.0	300.0	237.0	293.0	10.1	4/	2,442	4/
Aus. Winter Peas	Cwt.	21.1	25.5	15.6	16.6	12.4	4/	183	4/
Sugar Beets	Ton	1,365.4	1,349.8	1,347.9	1,326.3	22.7	21.4	30,583	28,373
Fall Potatoes	Cwt.	1,107.6	1,037.8	1,092.0	1,022.8	377	3/	411,386	3/
Alfalfa Hay	Ton	--	--	23,578	22,226	3.24	3.48	76,307	77,264
All Other Hay	Ton	--	--	39,764	39,363	2.03	2.15	80,816	84,499
All Hay	Ton	--	--	63,342	61,589	2.48	2.63	157,123	161,763

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

Farm Real Estate Values Up

The average value of farm real estate in Montana on January 1, 2004 was $410 per acre, up $20.00 from 2003. The average value of cropland rose $11.00 to $521 per acre, compared with a year ago. The average value of irrigated cropland was $1,670, $90 more than a year ago, while non-irrigated cropland gained $10.00 per acre to $380 per acre on January 1, 2004. Pasture values increased $15.00 to $285 per acre. Montana farm real estate values have been steadily increasing over the past five years.

U.S. farm real estate values, of all land and buildings on farms, averaged $1,360 per acre on January 1, 2004, up 7.1 percent from 2003. This is the largest percentage increase since 1994, when farm real estate values rose 8.0 percent from the previous year. The $90 per acre increase is the largest dollar increase since 1980, when values climbed $109 per acre above the 1979 value.

Nationally, cropland and pasture values rose by 7.2 and 6.4 percent, respectively, from January 1, 2003. Cropland values averaged $1,780 per acre and pasture values averaged $644 per acre on January 1, 2004, compared with $1,660 and $605 per acre, respectively, a year earlier. The value of other land and buildings rose 7.5 percent.

The increase in national farm real estate values was driven by a combination of factors, including low interest rates, high commodity production and prices, and strong demand for nonagricultural land uses. Nationally, summarized survey data indicated that agricultural land with potential for immediate development (expected land use if sold) was valued at more than $5,700 per acre. The survey also indicated that agricultural land with potential for future development was valued at nearly $4,000 per acre. Demand for farm real estate as an investment continued, but was limited by strong appreciation of alternative investments.

Regional increases in the average value of farm real estate ranged from 5.2 percent in the Mountain region to 10.4 percent in the Lake region. The highest farm real estate values were in the Northeast region, where urban influences drove the average value to $3,400 per acre. In the Corn Belt region, where commodity production and prices were favorable during 2003, farm real estate values rose 8.0 percent, to $2,300 per acre. The Mountain region, with its expanse of pasture and rangeland, has the lowest farm real estate value, at $550 per acre.

Cropland values rose 9.1 percent, to $2,030 per acre, in the Lake region and 8.4 percent, to $2,460 per acre, in the Corn Belt. Together these regions account for nearly one-third of the U.S. total cropland acres. The highest average cropland values, at $3,660 per acre, are in the Pacific region, where a significant portion of the cropland is irrigated.

Cash Rents for 2004

The average cash rent for Montana cropland rose slightly from last year to $24.50 per acre. The average cash rent for irrigated cropland, at $49, increased by $1 per acre from a year ago. The non-irrigated cropland average increased slightly from 2003 to $18.90 per acre. Average pasture rents increased from $4.50 in 2003 to $5 per acre in 2004.

Cash rents paid to U.S. landlords for cropland and pasture during the 2004 crop year rose sharply from 2003. Cropland cash rents paid in 2004 averaged 4.8 percent above a year earlier, advancing to $76.50 per acre, compared with $73 per acre for 2003. Pasture cash rents rose 6.7 percent, from $9 per acre in 2003 to $9.60 per acre in 2004. The increases in cropland and pasture rental rates reflected producers' optimism following the combination of high production and price levels of major U.S. agricultural commodities in 2003. (Continued on next page)

Cash Rents (Continued)

Cropland cash rents increased in all regions of the U.S. except the Pacific region, where rental rates were unchanged. In the remaining regions, increases in cropland cash rents varied from 1.1 percent in the Southeast to 8.9 percent in the Southern Plains. The Corn Belt and Northern Plains regions, which together account for nearly one half of cash-rented cropland acreage, increased 3.6 and 4.2 percent, respectively, from 2003. Cropland cash rents increased $4 per acre, to $114, in the Corn Belt and $2 per acre, to $50, in the Northern Plains.

The major corn and soybean producing States of Illinois, Indiana, and Iowa experienced increases ranging from 2.4 to 3.9 percent for cropland cash rents. Illinois and Iowa cropland cash rents both averaged $126 per acre.

Pasture cash rents rose in all regions, led by an 8.0 percent increase in the Pacific region and a 7.4 percent increase in the Corn Belt. In the Northern Plains and Southern Plains regions, which combine for about two-thirds of the cash-rented pasture acreage, rental rates were up 5.4 percent and 1.3 percent, respectively. Wisconsin continued to lead the Nation with the highest pasture rent, at $37 per acre.

June 2004 Ag Prices Received

Prices received during June by Montana producers for steers and heifers, cows, calves, beef cattle, and milk all reached historic high prices for any month. Steer and heifer prices jumped $13.00 to $112.00 per cwt. and cows rose $1.10 to $56.20. The average price for calves jumped $8.00 to $125.00 per cwt. Sheep prices dropped $6.00 to $33.50 per cwt., but lamb prices rose $6.00 to $117.00 per cwt. Milk prices increased $4.10 per cwt. from May to $19.10 per cwt. Cattle and milk prices for mid-July continued higher as steer and heifer prices for mid-July averaged $114.00 per cwt.; cows averaged $59.10 per cwt.; calves averaged $129.00 per cwt.; and milk prices averaged $19.70 per cwt.

June 2004 full month crop prices were mostly lower compared with May. Montana's winter wheat average price was $3.50 per bushel, down $0.38 from the previous month; spring wheat price was down $0.12 to $3.92 per bushel; and durum wheat prices dropped $0.10 to $4.26 per bushel. Feed barley prices rose $0.03 above the previous month to $2.04 per bushel.

The mid-July price for alfalfa hay increased $6.00 to $78.00 per ton, and all other hay increased $7.00 to $74.00 per ton. Mid-July grain prices were lower with winter wheat averaging $3.42 per bushel, spring wheat was $3.75 per bushel, durum wheat was $3.91 per bushel, and feed barley was $1.84 per bushel.

Nationally, prices for June and changes from May were as follows: winter wheat was down $0.25 to $3.47; spring wheat was $3.87, down $0.14; durum wheat was up $0.19 to $4.40; the all barley price was $2.64, down $0.14, and steer and heifer prices were $93.50, up $0.90 per cwt.

The U.S. mid-July winter wheat price was $3.31 per bushel, spring wheat was $3.60 per bushel, durum wheat was $3.99 per bushel, all wheat was $3.36 per bushel, malt barley was $2.81 per bushel, feed barley was $2.08 per bushel, and all barley was $2.50. Steer and heifer prices were $91.10 per cwt, cow prices were $55.90, calves were $128.00 per cwt., all hog prices were $56.90 per cwt, and all egg prices were $0.589 per dozen.

United States Index Summary

INDEX (1990-92=100)	June 2003	July 2003	June 2004	July 2004
Prices Received	107	105	128	122
Prices Paid, Interest, Taxes, & Farm Wage Rages 1/	127	127	134	134
Ratio 2/	84	83	96	91

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.
		June 2003	May 2004	June 2004	June 2004	May 2004	June 2003	July 15, 2004	July 15, 2004
		Dollars							
Winter Wheat	Bu.	3.25	3.88	3.50	3.47	-0.38	+0.25	3.42	3.31
Durum Wheat	Bu.	4.41	4.36	4.26	4.40	-0.10	-0.15	3.91	3.99
Spring Wheat	Bu.	3.63	4.04	3.92	3.87	-0.12	+0.29	3.75	3.60
All Wheat	Bu.	3.68	4.02	3.76	3.58	-0.26	+0.08	3.61	3.36
Barley, All	Bu.	2.26	2.81	2.45	2.64	-0.36	+0.19	2.32	2.50
Feed Barley	Bu.	2.12	2.01	2.04	2.20	+0.03	-0.08	1.84	2.08
Malt Barley	Bu.	3.04	N/A	3.11	2.81	N/A	+0.07	N/A	2.81
Oats	Bu.	N/A	1.67	N/A	1.61	N/A	N/A	N/A	1.50
Alfalfa Hay	Ton	79.00	72.00	73.00	102.00	+1.00	-6.00	78.00	98.40
All Other Hay	Ton	72.00	67.00	69.00	76.90	+2.00	-3.00	74.00	70.90
All Hay Baled	Ton	78.00	71.00	73.00	95.20	+2.00	-5.00	77.00	90.40
Steers & Heifers	Cwt	79.90	99.00	112.00	93.50	+13.00	+32.10	114.00	91.10
Cows	Cwt	45.70	55.10	56.20	53.60	+1.10	+10.50	59.10	55.90
Beef Cattle 1/	Cwt	56.30	81.90	93.00	89.50	+11.10	+36.70	100.00	87.50
Calves	Cwt	97.00	117.00	125.00	125.00	+8.00	+28.00	129.00	128.00
Sheep 2/	Cwt	29.10	39.50	33.50	32.10	-6.00	+4.40	N/A	N/A
Lambs 2/	Cwt	103.00	111.00	117.00	105.00	+6.00	+14.00	N/A	N/A
All Milk	Cwt	11.00	15.00	19.10	18.20	+4.10	+8.10	19.70	16.53

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

Sheep County Estimates

Livestock county estimates for January 1, 2004 sheep and lamb inventory and revisions for 1998-2003 are now available in printed form from the Montana Agricultural Statistics Service or you may find them on our website at http://www.nass.usda.gov/mt/ under county data.

The Montana Agricultural Statistics Service compiles the only annual county estimates for Montana. The county and district estimates are based on livestock surveys conducted at the end of 2003 and beginning of 2004.

Questionnaires were sent to a sample of farmers and ranchers throughout Montana asking for information on their livestock inventories. Thanks to all the farmers and ranchers who participated in the survey!

Farm Production Expenditures

U.S. farm production expenditures totaled $198.9 billion in 2003, up 3.0 percent from the revised 2002 total of $193.1 billion. The largest contributors to the increase were farm improvements and construction, up 43.8 percent; feed, up 8.4 percent; trucks and autos, up 7.1 percent and other farm machinery, up 5.4 percent. These increases were partially offset by decreases in interest, down 11.4 percent; farm supplies and repairs, down 9.8 percent; and labor, down 1.4 percent. The largest two expenditure categories were feed, which accounted for 13.6 percent of the U.S. total production expenses, and farm services which accounted for 13.5 percent of the U.S. total production expenses. The farm services category includes expense items such as custom work, utilities, marketing charges, veterinary services, transportation costs, and miscellaneous business expenses.

The average expenditures per U.S. farm in 2003 were $93,785 compared to $89,722 as revised for 2002. On the average, U.S. farm operations in 2003 spent $12,731 on feed; $12,637 on farm services; $9,996 on labor; $8,959 on livestock and poultry purchases; and $7,733 on rent. Revised estimates for 2002 indicated U.S. farms spent an average of $11,570 on feed; $12,452 on farm services; $9,990 on labor; $8,503 on livestock and poultry purchases; and $7,527 on rent.

The Farm Production Region contributing most to the total 2003 U.S. farm production expenditures was the Corn Belt, with expenses of $35.8 billion, 18.0 percent of the U.S. total. Expenditures in the Corn Belt were up 1.6 percent from the 2002 level of $35.2 billion. In total expenditures, the Corn Belt was followed by the Pacific Region at $32.3 billion (2002 - $32.0 billion); Northern Plains at $26.1 billion (2002 - $24.2 billion); Lake States at $19.3 billion (2002 - $19.1 billion); and the Southern Plains at $17.2 billion (2002 - $14.5 billion).

The U.S. Economic Class contributing most to the 2003 U.S. farm production expenditures was the $1,000,000 and Over class, with expenses of $67.6 billion, 34.0 percent of the U.S. total. Expenditures in the $1,000,000 and Over class were up 13.4 percent from the 2002 level of $59.6 billion. In total expenditures, the $1,000,000 and Over class was followed by the $500,000 - $999,999 class at $32.0 billion (2002 - $30.2 billion); $250,000 - $499,999 class at $29.9 billion (2002 - $33.1 billion).

Expenditure estimates by Type of Farm reveal that Crop Farms, with expenses of $102.6 billion, contributed 51.6 percent of the 2003 U.S. farm production expenditures. Expenditures for Crop Farms were up 2.7 percent from the revised 2002 level of $99.9 billion. Livestock Farm expenses of $96.3 billion were up 3.3 percent from the revised 2002 level of $93.2 billion.

COMING IN NEXT REPORTER

All Hay County Estimates	U.S. & Canadian Cattle
Cattle Cow County Estimates	Cattle on Feed
Beef Cow County Estimates	Farm Labor
Milk Production	Red Meat Production
Mushroom Production	Egg Production

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