USDA-NASS

4 **Montana Crop & Livestock Reporter**

survey results summary issued twice monthly by the

Montana Agricultural Statistics Service

Issue: 03-23 (0279-0394) Released: December 11, 2003

"Season Greeting from All of Us at Montana Agricultural Statistics Service"

May your holiday season be filled with joy and precipitation! The agricultural outlook improved for producers in 2003 because commodity prices improved and new markets are opening up for producers. In spite of Montana's persistent drought, wheat production in Montana increased 28 million bushels, in large part due to increases in winter wheat production. Montana's 2003 winter wheat crop was blessed with outstanding seeding conditions, a mild winter, and early spring rains which increased production by more than 300 percent from the drought-reduced 2002 crop. In 2003, value-added agricultural opportunities improved with construction beginning on a $60 million barley malt plant, which will provide a market for 11 million bushels of malt barley. Construction of the plant should be finished in the spring of 2005, utilizing part of Montana's 2004 malt barley crop.

Montanans have a lot to be thankful for. Neighbors continue to help neighbors get through one more year of drought, living up to the saying that "Montana is the Last, Best Place." Montana is fortunate to have beautiful landscapes and unspoiled vistas, but Montana's people are what is truly remarkable about Montana. Montana's farmers and ranchers continue to be stewards of the land, working tirelessly to provide for future generations. Continued years of drought have tested everyone's resolve, but producers are persistent in keeping agriculture as Montana's number one industry. Montanans remain optimistic that precipitation will come and the crops will flourish.

Because of the remarkable people who make a living from the land, Montana Agricultural Statistics Service is also hopeful about the future of Montana agriculture. To everyone involved in Montana's agricultural industry, thank you for your continued support. With your help, we can provide sound statistical facts that you can use to chart the future course of **Montana's Number One Industry--Agriculture**. We sincerely hope that you and your family have a joyous and safe holiday season.

Sincerely,
Peggy Stringer
State Statistician

2003 Dry Edible Bean Production

Production for Montana's **dry edible bean** crop was estimated at 286,000 cwt, down 21% from the 2002 crop. Planted acreage for 2003 is estimated to be 19,000 acres, down 29% from last year. Harvested area for this year is 17,000 acres, 26% below 2002. The yield is forecast at 1,680 pounds per acre, 110 pounds better than last year.

Pinto bean production for Montana is estimated to be 254,000 cwt, which is 11% less than last year. Acres planted, at 13,000, are down 4% from 2002. Harvested acres, at 13,000, are 1% higher than the previous year. The yield is forecast at 1,950 pounds per acre, 250 pounds less than last year.

All chickpea (garbanzo beans) production is forecast at 28,000 cwt for 2003, down 61% from 2002. Planted acreage was set at 5,500 acres, down 56% from 2002. Harvested area is estimated at 3,700 acres, down 61% from 2002. The yield is forecast at 757 pounds per acre, up 2% from 2002. This year estimates were set for two size classes of chickpeas those smaller than 20/64 in. and those larger than 20/64 in. **Small Chickpea** (smaller than 20/64 in.) production is forecast at 14,000 cwt for 2003. Planted acreage was set at 2,500 acres. Harvested area is estimated at 1,700 acres. The yield is forecast at 820 pounds per acre. **Large Chickpea** (larger than 20/64 in.) production is forecast at 14,000 cwt for 2003. Planted acreage was set at 3,000 acres. Harvested area is estimated at 2,000 acres. The yield is forecast at 700 pounds per acre.

U.S. dry edible bean production is forecast at 22.8 million cwt for 2003, down 3% from the October forecast and 24% below last year. Harvested acreage is forecast at 1.36 million acres, 4% below the last forecast and down 21% from 2002. The average U.S. yield is forecast at 1,678 pounds per acre, an increase of 13 pounds from the October forecast but 58 pounds below a year ago. Production is below a year ago in 12 of the 18 producing States. Most notable is a 50% production decrease in Michigan where planted acres are the lowest on record. Also, Oregon's production is down 49% due to drought conditions. Production is down from a year ago for black, small white, navy, garbanzo, cranberry, small lima, dark red kidney, pinto, and light red kidney. Production increased from last year for great northern, blackeye, large lima, pink, and small red.

ERS Economist Says Record Beef/Cattle Prices Allocate Tight Quality Beef Supplies

Domestic and export demand for beef, particularly higher quality beef, has remained strong since 2000. Beef prices have been on a record setting path since mid-winter due to reduced cattle supplies that were further curtailed by poor winter feeding conditions. The confirmation of BSE (Bovine Spongiform Encephalopathy) in a Canadian cow on May 20 resulted in a ban on imports of beef and live cattle from Canada and a further tightening of U.S. fed beef supplies. Consequently, supplies of higher quality Choice beef have become very tight resulting in record cattle, boxed beef (wholesale), and retail prices as the limited supply is rationed in the market.

The expansion phase of the present cattle cycle began in 1991 at 96.4 million head. the cyclical peak occurred in 1996 at 103.5 million head when a national drought reduced forage supplies, and more importantly, a sharp decline in grain production and record corn prices in 1995/96 forced feeder cattle prices lower. Expansion in the cattle/beef sector is based on large supplies of forage from pasture and range and favorable grain prices in addition to favorable cattle prices. Forage conditions since 1998 have not favored herd expansion, although feed grain prices have remained moderate.

Cow and heifer inventories continue to decline in spite of record cattle prices. The cattle inventory at the beginning of 2003 had declined to 96.1 million head. Cow and heifer slaughter has remained large through October 2003 due to continued poor forage conditions in many areas and the high opportunity cost of retaining heifers. Cow and heifer slaughter will have to decline fairly sharply before the industry can begin to stabilize inventories, much less shift toward herd expansion. The earliest a shift toward expansion can begin is with the 2004 breeding season if forage supplies improve, cow slaughter declines, and larger numbers of heifers are bred. Even if this set of events occurs, beef production will not begin to expand until at least 2006 and even then from a smaller base of production, which has eroded since 1996. Additional female slaughter has supported beef supplies in recent years, but at the cost of future production.

U.S. Livestock & Meat Imports & Exports

	2001	2002	Jan-Sept 2002	Jan-Sept. 2003
Beef & Veal Imports		**Carcass wt.,thousand lb.**		
Australia	1,151,858	1,136,758	910,992	829,114
New Zealand	637,372	603,931	492,076	551,927
Canada	987,073	1,090,894	827,248	460,635
Brazil	163,556	200,785	149,122	152,959
Argentina	99,708	85,349	57,106	58,668
Central America	70,103	68,325	48,404	55,610
Uruguay	41,109	14,095	11,027	49,916
Mexico	12,166	16,707	13,128	11,188
Other	411	756	514	214
Total	3,163,356	3,217,599	2,509,616	2,170,230
Beef & Veal Exports				
Japan	1,004,062	771,074	580,781	698,938
Canada	233,291	240,550	172,506	184,138
Mexico	531,972	629,252	472,960	473,609
South Korea	345,518	597,301	454,955	445,797
Caribbean	22,368	23,015	16,793	15,560
Russia	7,400	17,388	15,345	9,750
Other	124,672	169,125	122,074	115,865
Total	2,269,283	2,447,704	1,835,414	1,943,658
Cattle Imports		**Head**		
Mexico	1,130,168	816,460	470,887	673,582
Canada	1,306,185	1,686,508	1,186,924	508,322
Over 700 lbs.	1,143,181	1,259,536	936,373	439,016
440-700 lbs.	45,679	221,782	105,891	11,500
Total	2,436,715	2,502,973	1,657,816	1,181,916
Cattle Exports				
Mexico	143,834	106,019	83,375	18,031
Canada	297,622	134,220	101,563	58,848
Total	448,695	244,394	186,059	83,344

U.S. Livestock & Meat Imports & Exports

	2001	2002	Jan-Sept. 2002	Jan-Sept 2003
Lamb Imports		**Carcass wt., thousand lb.**		
Australia	67,785	68,073	53,182	53,186
New Zealand	39,576	48,565	36,525	45,492
Total	108,215	117,047	90,006	98,923
Mutton Imports	37,511	42,886	33,280	20,330
Lamb& Mutton Exports				
Total	6,511	7,101	4,924	4,930
Pork Imports				
Canada	766,043	879,949	634,033	724,162
Denmark	120,106	123,013	89,632	113,108
Poland	23,976	24,420	16,587	16,978
Netherlands	8,433	6,730	5,207	4,415
Hungary	6,814	4,806	3,138	4,624
Other	25,372	31,809	23,054	25,243
Total	950,745	1,070,727	771,651	888,529
Pork Exports				
Japan	742,222	775,945	599,725	624,616
Canada	186,234	188,351	143,672	130,773
Mexico	318,480	313,695	233,031	230,337
Russia	82,327	41,397	30,119	11,928
South Korea	38,685	70,836	45,108	63,167
Hong Kong	27,612	28,393	17,578	28,264
Caribbean	23,503	20,350	14,675	10,379
Other	140,397	173,262	113,998	157,872
Total	1,559,459	1,612,228	1,197,906	1,257,336
Hog Imports		**Head**		
Canada	5,337,688	5,740,073	4,216,810	5,278,179
Under 110 lb	3,163,962	3,757,882	2,711,837	3,639,967
Total	5,337,688	5,740,675	4,216,810	5,278,370
Hog Exports				
Total	64,049	205,121	154,237	89,483

SOURCE for the above information: Livestock, Dairy and Poultry Situation and Outlook, ERS, November 25, 2003.

October Ag Prices Received

October full month crop prices were mixed compared with September 2003. Montana's winter wheat average price was $3.55 per bushel, up $0.19 from the previous month; spring wheat moved up $0.08 to $.3.60 per bushel; but durum wheat prices dropped $0.16 to $4.00 per bushel. Feed barley prices dropped $0.03 from the previous month to $2.07, malt barley prices fell $0.20 to $3.22 per bushel.

The mid-November price for alfalfa hay was down $1.00 to $76.00 per ton and all other hay dropped $2.00 to $69.00 per ton. The mid-November grain prices were mixed from the previous month with winter wheat price averaging $3.63 per bushel; spring wheat was $3.95; durum wheat was $3.82; all barley was $2.70 and feed barley averaged $2.14.

Livestock prices for the full month of October were higher compared with the previous month. Steer and heifer prices jumped $5.70 to $96.20 per cwt which is a new record high and cows rose $0.50 to $49.60. The average price for calves was increased $1.00 to $107.00 per cwt. Sheep prices rose $3.70 to $35.70 per cwt, but lamb prices remained unchanged at $106.00 per cwt. Milk prices jumped $1.90 per cwt from last month to $14.90 per cwt. Steer and heifer prices for mid-November averaged $97.20 per cwt.; cows averaged $49.30 per cwt.; calves averaged $107.00 per cwt.; and milk prices averaged $15.30 per cwt.

Nationally, prices for October and changes from September were as follows: winter wheat was $3.37, up $0.05, spring wheat was $3.54, up $0.12; durum wheat was $3.90, down $0.04; the all barley price was $2.77, down $0.11, and steer and heifer prices were $97.80, up $8.40 per cwt.

The U.S. mid-November winter wheat price was $3.64 per bushel, spring wheat was $3.76 per bushel, durum wheat was $3.76 per bushel, all wheat was $3.69 per bushel, malt barley was $2.70 per bushel, feed barley was $2.30 per bushel, and all barley was $2.56. Steer and heifer prices were $99.70 per cwt, cow prices were $46.70, calves were $112.00 per cwt., all hog prices were $34.80 per cwt, and market egg prices were $0.926 per dozen.

The preliminary All Farm Products Index of Prices Received by Farmers in November is 117, based on 1990-92=100, 4 points (3.5 percent) above the October Index. Both the Livestock and Products Index and the All Crops Index were higher in November. Producers received higher commodity prices for cattle, corn, soybeans, and wheat. Lower prices were received for cotton, hogs, and milk. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of all milk, cotton, cattle, and cottonseed offset decreased marketings of peanuts, soybeans, sunflowers, and potatoes.

The November Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) is 130 percent of the 1990-92 average. The index is unchanged from October but 5 points (4.0 percent) above November 2002. Lower prices in November for feeder cattle, hay and forages, gasoline, and feeder pigs are offset by higher prices for feed grains, feed concentrates, feed supplements, and nitrogen fertilizers.

United States Index Summary

INDEX (1990-92=100)	October 2002	November 2002	October 2003	November 2003
Prices Received	95	97	113	117
Prices Paid, Interest, Taxes, & Farm Wage Rages 1/	125	125	130	130
Ratio 2/	76	78	87	90

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.
		Oct. 2002	Sept. 2003	Oct. 2003	Oct. 2003	Sept. 2003	Oct. 2002	Nov. 15, 2003	Nov. 15, 2003
		Dollars							
Winter Wheat	Bu.	4.06	3.36	3.55	3.37	+0.19	-0.51	3.63	3.64
Durum Wheat	Bu.	4.97	4.16	4.00	3.90	-0.16	-0.97	3.82	3.76
Spring Wheat	Bu.	4.66	3.52	3.60	3.54	+0.08	-1.06	3.95	3.76
All Wheat	Bu.	4.59	3.61	3.61	3.45	0	-0.98	3.80	3.69
Barley, All	Bu.	2.77	3.03	2.68	2.77	-0.35	-0.09	2.70	2.56
Feed Barley	Bu.	2.22	2.10	2.07	2.25	-0.03	-0.15	2.14	2.30
Malt Barley	Bu.	3.07	3.42	3.22	3.12	-0.20	+0.15	n/a	2.70
Oats	Bu.	1.98	n/a	n/a	1.44	n/a	n/a	n/a	1.37
Alfalfa Hay	Ton	87.00	76.00	77.00	88.80	+1.00	-10.00	76.00	88.00
All Other Hay	Ton	75.00	71.00	71.00	71.40	0	-4.00	69.00	64.90
All Hay Baled	Ton	85.00	75.00	75.00	84.40	0	1-0.00	74.00	80.70
Steers & Heifers	Cwt	80.20	90.50	96.20	97.80	+5.70	+16.00	97.20	99.70
Cows	Cwt	34.30	49.10	49.60	44.90	+0.50	+15.30	49.30	46.70
Beef Cattle 1/	Cwt	72.90	85.90	90.60	92.00	+4.70	+17.70	88.60	93.20
Calves	Cwt	86.20	106.00	107.00	113.00	+1.00	+20.80	107.00	112.00
Sheep 2/	Cwt	24.40	32.00	35.70	34.80	+3.70	+11.30	n/a	n/a
Lambs 2/	Cwt	84.10	106.00	106.00	96.90	0	+21.90	n/a	n/a
All Milk	Cwt	12.00	13.00	14.90	15.00	+1.90	+2.90	15.30	14.90

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

U.S. Meats Supply and Use, 2002 and Projected 2003 and 2004

Item	Beginning Stocks	Production 1/	Imports	Total Supply	Exports	Ending Stocks	Consumption	
							Total	Per capita 2/
BEEF:			Million pounds 3/					
2002	606	27,192	3,218	31,016	2,447	691	27,878	67.6
2003 Proj. Oct:	691	26,754	2,891	30,336	2,628	525	27,183	65.2
Nov:	691	26,877	2,851	30,419	2,628	500	27,291	65.5
2004 Proj. Oct:	525	25,480	3,430	29,435	2,660	600	26,175	62.2
Nov:	500	25,505	3,430	29,435	2,660	550	26,225	62.3
PORK:								
2002	536	19,685	1,070	21,291	1,611	533	19,147	51.5
2003 Proj. Oct:	533	19,690	1,250	21,473	1,681	540	19,252	51.2
Nov:	533	19,741	1,250	21,524	1,681	540	19,303	51.4
2004 Proj. Oct:	540	19,797						
1,375 21,712	1,695	540	19,477	51.3				
Nov:	540	19,747	1,375	21,662	1,695	540	19,427	51.2
BROILERS:								
2002	712	31,895	12	32,619	4,807	763	27,049	80.5
2003 Proj. Oct:	763	32,210	13	32,985	4,916	700	27,370	80.6
Nov:	763	32,285	13	33,060	4,916	625	27,520	81.1
2004 Proj. Oct:	700	32,894	12	33,606	5,100	650	27,856	81.2
Nov:	625	33,092	12	33,729	5,100	650	27,979	81.6
TURKEYS:								
2002	241	5,638	1	5,879	439	333	5,108	17.7
2003 Proj. Oct:	333	5,642	1	5,976	452	350	5,174	17.7
Nov:	333	5,622	1	5,956	452	325	5,179	17.8
2004 Proj. Oct:	350	5,714	1	6,065	465	350	5,249	17.8
Nov:	325	5,714	1	6,040	465	325	5,249	17.8

1/ Total including farm production for red meats and, for poultry, federally inspected plus non-federally inspected, less condemnations. 2/ Pounds, retail-weight basis. 3/ Carcass weight for red meats and certified ready-to-cook weight for poultry. Source: World Ag Supply and Demand Estimates, WAOB, November 12, 2003.

COMING IN NEXT REPORTER

Potato Stocks
Milk Production
Cattle on Feed
Red Meat Production
Egg Production

Peggy Stringer, State Statistician
Curtis E. Lund, Deputy State Statistician
Wendy Bruski, Editor
10 W. 15th Street, Suite 3100, Helena, Montana 59626
406-441-1240 or 1-800-835-2612
www.nass.usda.gov/mt/ nass-mt@nass.usda.gov