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AUGUST CROP REPORT

SOUTH DAKOTA: South Dakota's first corn, soybean and hay production forecast for 2004 is for larger crops than last year. Higher yields were the primary cause of this year's larger production.

Corn production in 2004 is forecast at 466.1 million bushels, up 9 percent from last year. Yield, forecast at 118 bushels per acre, is up 7 bushels from last year and would be the second highest yield on record. Acres to be harvested for grain, at 3.95 million, are up 3 percent from last year.

South Dakota's August 1 **soybean** production forecast is 136.6 million bushels, up 21 percent from last year's production. Estimated yield, at 33 bushels per acre, is 6 bushels above last year and 2 bushels above 2002. Acres for harvest, at 4.14 million, are down 1 percent from last year.

Alfalfa hay production in South Dakota is forecasted at 5.46 million tons, up 6 percent from last year. Forecasted yield is 2.1 tons per acre, compared to 1.9 tons last year. Alfalfa acres harvested, at 2.6 million, are down 4 percent from 2003. **Other hay** production, at 1.80 million tons, is down 13 percent from last year. Forecasted yield is 1.2 tons per acre, down 0.1 ton from a year ago. Other hay harvested acreage, at 1.5 million, is down 6 percent from last year.

Winter wheat production, at 52.5 million bushels, is 20 percent above the July 1 forecast. The yield, at 42 bushels, is up 7 bushels from last month's forecast but down 1 bushel from last year.

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CROP SUMMARY, SOUTH DAKOTA & UNITED STATES, AUGUST 1, 2004

Crop	Acres Planted		Acres for Harvest		Unit of Pro-duction	Yield/Harvested Acre		Production	
	2003	2004	2003	2004		2003	2004	2003	2004
	- - - - - Thousand Acres - - - - -							- - Thousand - -	
SOUTH DAKOTA									
Wheat, Winter	1,600	1,700	1,380	1,250	Bu.	43.0	42.0	59,340	52,500
Wheat, Other Spring	1,400	1,600	1,340	1,500	Bu.	42.0	42.0	56,280	63,000
Corn, All	4,400	4,500	--	--	--	--	--	--	--
Corn, Grain	--	--	3,850	3,950	Bu.	111.0	118.0	427,350	466,100
Barley	75	70	55	50	Bu.	53.0	61.0	2,915	3,050
Oats	420	400	230	200	Bu.	68.0	80.0	15,640	16,000
Soybeans	4,250	4,200	4,190	4,140	Bu.	27.0	33.0	113,130	136,620
Sorghum, All	270	250	--	--	--	--	--	--	--
Sorghum, Grain	--	--	150	160	Bu.	45.0	56.0	6,750	8,960
Hay, All	--	--	4,300	4,100	Ton	1.68	1.77	7,210	7,260
Alfalfa	--	--	2,700	2,600	Ton	1.90	2.10	5,130	5,460
Other	--	--	1,600	1,500	Ton	1.30	1.20	2,080	1,800
Dry Edible Beans 1/	8.0	10.0	7.5	10.0	Lb.	1,770	1,800	133	180
UNITED STATES									
Wheat, Winter	44,945	43,450	36,541	34,825	Bu.	46.7	42.8	1,707,069	1,489,408
Wheat, Other Spring	13,840	13,677	13,429	13,210	Bu.	39.7	41.2	532,820	544,535
Corn, All	78,736	80,968	--	--	--	--	--	--	--
Corn, Grain	--	--	71,139	73,377	Bu.	142.2	148.9	10,113,887	10,923,099
Barley	5,299	4,666	4,688	4,152	Bu.	58.9	65.7	276,087	272,824
Oats	4,601	4,220	2,224	1,938	Bu.	65.0	66.0	144,649	127,950
Soybeans	73,404	74,809	72,321	73,655	Bu.	33.4	39.1	2,417,565	2,876,627
Sorghum, All	9,420	8,099	--	--	--	--	--	--	--
Sorghum, Grain	--	--	7,798	6,916	Bu.	52.7	67.2	411,237	464,782
Hay, All	--	--	63,342	61,589	Ton	2.48	2.63	157,123	161,763
Alfalfa	--	--	23,578	22,226	Ton	3.24	3.48	76,307	77,264
Other	--	--	39,764	39,363	Ton	2.03	2.15	80,816	84,499
Dry Edible Beans 1/	1,406.1	1,360.4	1,346.9	1,301.1	Lb.	1,672	1,639	22,515	21,323

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AUGUST CROP REPORT (Cont.)

Other spring wheat production is forecast at 63.0 million bushels, 11 percent above the July 1 forecast. Yield, at 42 bushels per acre, is up 4 bushels from last month's forecast but unchanged from last year's yield.

Sorghum production is forecast at 8.96 million bushels, up 33 percent from 2003. Expected yield, at 56 bushels per acre, is 11 bushels above last year. Grain sorghum acres for harvest, at 160,000, are up 7 percent from last year.

Oat production, at 16.0 million bushels, is up 2 percent from last year and up 11 percent from the July forecast. The forecasted yield, a new record at 80 bushels, is up 12 bushels from last year and up 8 bushels from the July forecast. Acres harvested for grain are forecasted at 200,000, down 30,000 acres from last year.

Barley production is forecast at 3.05 million bushels, up 3 percent from last month. Yield is forecast at 61 bushels per acre, up 2 bushels from last month's forecast and up 8 bushels from last year.

UNITED STATES: Corn production is forecast at 10.9 billion bushels, up 8 percent from last year and 22 percent above 2002. Based on conditions as of August 1, yields are expected to average 148.9 bushels per acre, up 6.7 bushels from last year. If realized, both production and yield would be the largest on record. Farmers expect to harvest 73.4 million acres of corn for grain, virtually unchanged from June but up 3 percent from 2003.

Soybean production is forecast at 2.88 billion bushels, up 19 percent from 2003 and 4 percent from 2002. If realized, this would be the second largest U.S. soybean production on record. Based on August 1 conditions, yields are expected to average 39.1 bushels per acre, up 5.7 bushels from 2003. Area for harvest, at 73.7 million acres, is unchanged from June but up 2 percent from 2003 acreage.

All wheat production is placed at 2.12 billion bushels, up 3 percent from the July forecast but down 9 percent from 2003. Based on August 1 conditions, the U.S. yield is forecast at 42.0 bushels per acre, up 1.4 bushels from last month.

CATTLE HERD CONTINUES DECLINE, HERD EXPANSION EVASIVE

The July ***Cattle*** report indicated that inventories continued the decline that began in1996. The liquidation phase of this cycle, now in the 8th year, could easily become one of the longest in history. The number of heifers reported to be retained for possible addition to the breeding herd was up 4 percent from a year earlier. These heifers most likely will be retained from this year's calf crop. If additional heifers are retained, they won't be bred until 2005, with the calves born in 2006, and beef supplies increasing in mid-2007. A record grain harvest is projected for this year and with it continued moderate cost of gain for the livestock sector. Grazing conditions are very favorable in the eastern two-thirds of the country, but much of the west remains dry. Although conditions are more favorable for expansion than at any time since 1998, major uncertainties and record feeder cattle prices cloud the issue. There is economic uncertainty amid record oil prices and international unrest. In addition, international uncertainties exist on reopening the export market with Japan and prospects for a further opening of the market with Canada. All raise issues on the beginning, much less the strength, of herd expansion during 2004 given the very high opportunity cost of female retention.

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M122/August 18, 2004 Economic Research Service, USDA

COMING UP IN THE NEXT CROP REPORTER:

September Crop Report
Turkey Report
U.S. and Canadian Cattle
August Ag Prices
July Slaughter & Cold Storage

PRICES

UNITED STATES PRICES RECEIVED INDEX

The preliminary All Farm Products Index of Prices Received by Farmers in July at 122, based on 1990-92=100, is 6 points (4.7 percent) below the June Index. Declines occurred in both the Crop Price Index and the Livestock Price Index. The Crop Index declined 6 points (4.9 percent) from June, while the Livestock Index decreased 5 points (3.8 percent). Producers received higher commodity prices for oranges, asparagus, sweet corn, and snap beans. Lower prices were received for dairy, corn, soybeans, and cattle. 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 grapes, wheat, tomatoes, and hay offset decreased marketings of dairy, cantaloup, asparagus, and oranges. The preliminary All Farm Products Index is up 17 points (16 percent) from July 2003.

TRENDS AFFECTING AGRICULTURE

Index		United States		
		July 2003	June 2004	July 2004
Prices Received Indexes		(1990-92=100%)		
All farm products	%	105	128*	122
All crops	%	109	122*	116
Food grains	%	98	121*	114
Feed grains & hay	%	102	122*	110
Oil bearing crops	%	104	161*	147
All livestock & products	%	101	133	128
Meat animals	%	101	122	121
Dairy products	%	93	139*	124
Poultry & eggs	%	109	147	145
Prices Paid Index	%	127	134*	134
Ratio 1/	%	83	96	91
Crop Sector	%	130	135	135
Livestock Sector	%	123	133*	132

*Revised. 1/ (Received Index/Paid Index)

PRICES RECEIVED BY FARMERS FOR COMMODITIES SOLD

Commodity and Unit		South Dakota			United States			
		July 2003 1/	June 2004 1/	July 2004 2/	July 2003 1/	June 2004 1/	July 2004 2/	Parity Price July 2004
		Dollars						
All Wheat	Bu.	3.05	3.74	3.45	2.95	3.58	3.36	10.00
Winter	Bu.	2.88	3.54	3.31	2.89	3.47	3.31	--
Durum	Bu.	5/	5/	5/	3.85	4.40	3.99	--
Other spring	Bu.	3.33	3.86	3.53	3.31	3.87	3.60	--
Corn	Bu.	2.01	2.79	2.35	2.17	2.79	2.42	6.74
Oats	Bu.	1.31	1.57	1.32	1.46	1.61	1.50	3.93
Soybeans	Bu.	5.63	9.13	8.35	5.82	9.05	8.21	15.90
All Barley	Bu.	2.61	2.43	2.39	2.74	2.64	2.50	6.69
Feed	Bu.	1.96	2.10	5/	2.22	2.20	2.08	--
Malt	Bu.	2.74	2.47	2.39	3.08	2.81	2.81	--
Sunflower	Cwt.	10.30	13.00	12.10	11.60	13.40	14.70	--
Flaxseed	Bu.	5/	5/	5/	6.38	7.25	7.65	12.90
Sorghum	Cwt.	3/	3/	3/	3.63	4.58	4.07	11.00
All Hay	Ton	62.00	66.00	65.00	89.00	95.20	90.40	--
Alfalfa	Ton	62.00	67.00	67.00	92.70	102.00	98.40	--
Other	Ton	51.00	50.00	57.00	77.80	76.90	70.90	--
Milk, wholesale	Cwt.	3/	3/	3/	12.10	18.20	16.20	35.00
Eggs, market	Doz.	3/	3/	3/	0.524	0.496	0.399	1.69
Cattle 4/	Cwt.	72.10	89.60	85.30	75.80	89.50	87.50	170.00
Steers & heifers	Cwt.	79.90	100.00	94.40	78.90	93.50	91.10	--
Cows	Cwt.	48.80	54.80	58.10	44.90	53.60	55.90	--
Calves	Cwt.	107.00	134.00	124.00	102.00	125.00	128.00	228.00
All hogs	Cwt.	44.30	57.20	56.80	42.70	56.60	56.90	105.00
Barrows & gilts	Cwt.	46.30	59.00	58.00	43.20	57.10	57.30	--
Sows	Cwt.	33.20	46.40	50.00	33.10	46.30	49.10	--
Sheep	Cwt.	26.00	29.50	5/	29.40	32.10	5/	83.60
Lambs	Cwt.	92.00	114.00	5/	89.30	105.00	5/	201.00

1/ Full month except hay which is mid-month. 2/ Mid-month. 3/ Annual average price only. 4/ "Cows" and "Steers & Heifers" combined. 5/ No price available.

CATTLE ON FEED

SOUTH DAKOTA: South Dakota's 1,000+ capacity feedlots reported 157,000 **cattle on feed** for the slaughter market on August 1. This is up 9,000 head from a year earlier and down 16,000 head from a month earlier.

Placements during July totaled 12,000 head, down 9,000 head from last year and down 8,000 head from June 2004.

Marketings of fed cattle during July totaled 26,000 head, down 12,000 head from last year and down 8,000 head from June 2004.

Other disappearance during July totaled 2,000 head, unchanged from last year but up 1,000 from June 2004.

UNITED STATES : Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 9.85 million head on August 1, 2004. The inventory was 3 percent above August 1, 2003, but 3 percent below August 1, 2002.

Placements in feedlots during July totaled 1.72 million, 14 percent below 2003 and 7 percent below 2002. Net placements were 1.66 million. During July, placements of cattle and calves weighing less than 600 pounds were 440,000, 600-699 pounds were 325,000, 700-799 pounds were 499,000, and 800 pounds and greater were 456,000.

Marketings of fed cattle during July totaled 1.93 million, 15 percent below 2003 and 12 percent below 2002.

Other disappearance totaled 58,000 during July, 3 percent below 2003 but 29 percent above 2002.

CATTLE ON FEED (1,000+ CAPACITY FEEDLOTS), SOUTH DAKOTA & UNITED STATES, AUGUST 1, 2003 & 2004

Item	South Dakota			United States		
	2003	2004	2004 as % of 2003	2003	2004	2004 as % of 2003
	- - 1,000 Head - -		Percent	- - - 1,000 Head - - -		Percent
On feed, July 1	167	173	104	9,923	10,117	102
Placed on feed during July	21	12	57	1,997	1,720	86
Fed cattle marketed during July	38	26	68	2,270	1,926	85
Other disappearance during July 1/	2	2	100	60	58	97
On feed, August 1	148	157	106	9,590	9,853	103

1/ Includes death loss, movement from feedlots to pasture, and shipments to other feedlots for further feeding.

Carter Anderson, Director
Stephen W. Noyes, Deputy Director