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IN THIS ISSUE

MILK PRODUCTION

Milk production in Minnesota during November 2014 totaled 743 million pounds, up 3 percent from last November. The average number of milk cows during November, at 460,000 head, was unchanged from last month, but 1,000 fewer than a year ago. Monthly production per cow averaged 1,615 pounds, up 50 pounds from November 2013. This is the highest November milk per cow for Minnesota on record.

Milk production in the 23 major States during November totaled 15.5 billion pounds, up 3.5 percent from November 2013. October revised production, at 16.0 billion pounds, was up 3.7 percent from October 2013. The October revision represented a decrease of 35 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,806 pounds for November, 41 pounds above November 2013. This is the highest production per cow for the month of November since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.59 million head, 93,000 head more than November 2013, and 3,000 head more than October 2014.

Milk Cows and Production: Selected States, November 2013 and 2014

State	Milk Cows [1]		Milk Per Cow [2]		Milk Production [2]		
	2013	2014	2013	2014	2013	2014	Change from 2013
	(1,000 head)	(1,000 head)	(pounds)	(pounds)	(million pounds)	(million pounds)	(percent)
Arizona	190	193	1,860	1,930	353	372	5.4
California	1,780	1,780	1,840	1,880	3,275	3,346	2.2
Colorado	138	145	1,975	2,030	273	294	7.7
Florida	123	123	1,495	1,535	184	189	2.7
Idaho	567	579	1,885	1,920	1,069	1,112	4.0
Illinois	96	92	1,550	1,550	149	143	-4.0
Indiana	178	179	1,730	1,775	308	318	3.2
Iowa	206	207	1,775	1,840	366	381	4.1
Kansas	135	143	1,800	1,800	243	257	5.8
Michigan	380	399	1,930	1,965	733	784	7.0
Minnesota	**461**	**460**	**1,565**	**1,615**	**721**	**743**	**3.1**
New Mexico	322	323	1,990	1,975	641	638	-0.5
New York	611	615	1,750	1,805	1,069	1,110	3.8
Ohio	268	267	1,600	1,630	429	435	1.4
Oregon	123	124	1,625	1,615	200	200	0.0
Pennsylvania	530	530	1,585	1,640	840	869	3.5
South Dakota	95	97	1,735	1,810	165	176	6.7
Texas	440	470	1,770	1,785	779	839	7.7
Utah	93	96	1,775	1,855	165	178	7.9
Vermont	132	132	1,570	1,630	207	215	3.9
Virginia	94	92	1,490	1,535	140	141	0.7
Washington	266	276	1,885	1,905	501	526	5.0
Wisconsin	1,271	1,270	1,725	1,775	2,192	2,254	2.8
23-State Total	8,499	8,592	1,765	1,806	15,002	15,520	3.5

[1] Includes dry cows, excludes heifers not yet fresh. [2] Excludes milk sucked by calves

MONTHLY PRICES

The preliminary December 2014 average price received by farmers for **corn** in Minnesota was $3.70 per bushel according to the latest USDA, National Agricultural Statistics Service – *Agricultural Prices* report. This was up $0.19 from the November price, but $0.81 lower than December 2013.

The preliminary December 2014 average price received by farmers for **soybeans**, at $9.85 per bushel, was down $0.10 from the November price, and $2.85 lower than the December 2013 price.

The preliminary December **oat** price was $3.00 per bushel, unchanged from November, but $0.31 below December 2013.

All hay prices in Minnesota averaged $132.00 per ton in December, up $2.00 from the November price, but $49.00 per ton less than December 2013. **Alfalfa hay** prices fell $51.00 per ton from one year ago, to $154.00 and **other hay** prices were $42.00 per ton lower than last year, at $94.00.

The preliminary December average price was $21.00 per cwt for **milk**, down $3.40 from November, and $1.00 per cwt below one year ago.

Special Note: Beginning January 2015, NASS will publish full-month price data only. In addition, the method for computing annual indexes is revised. For details see, http://www.nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Prices/update2015.pdf.

Prices Received by Farmers

MINNESOTA	Dec 2013	Nov 2014	Dec[1] 2014
	dollars		
Barley, feed & malting .... bu	(D)	5.38	(S)
Beans, dry edible .... cwt	(D)	(S)	(S)
Corn .... bu	4.51	3.51	3.70
Hay, all, baled .... ton	181.00	130.00	132.00
Alfalfa, baled .... ton	205.00	160.00	154.00
Other, baled .... ton	136.00	100.00	94.00
Oats .... bu	3.31	3.00	3.00
Potatoes .... cwt	9.10	(D)	(D)
Soybeans .... bu	12.70	9.95	9.85
Spring Wheat........................... bu	6.54	5.39	5.95
Sunflowers, all .... cwt	(D)	(D)	(S)
Milk, all .... cwt	22.00	24.40	21.00

UNITED STATES	Dec 2013	Nov 2014	Dec[1] 2014
	dollars		
Barley, feed & malting .... bu	6.11	5.12	5.17
Beans, dry edible .... cwt	39.80	30.50	34.00
Corn .... bu	4.41	3.58	3.77
Hay, all, baled .... ton	163.00	164.00	159.00
Alfalfa, baled .... ton	186.00	184.00	182.00
Other, baled .... ton	133.00	124.00	119.00
Oats .... bu	3.59	2.96	3.05
Potatoes .... cwt	9.02	7.99	8.25
Soybeans .... bu	13.00	10.20	10.20
Spring Wheat........................... bu	6.55	5.74	6.21
Sunflowers, all .... cwt	18.80	19.80	20.50
Milk, all .... cwt	22.00	23.00	20.30

(D)Withheld to avoid disclosing data for individual operations.
(S) Insufficient number of reports to establish an estimate.
[1]Preliminary

Prices Index Summary, United States

PRICES RECEIVED INDEX	Dec 2013	Nov 2014	Dec 2014	Dec 2013	Nov 2014	Dec 2014
	2011 base[1]			1910-14=100		
Agricultural Production	100	101	102	1031	1044	1048
Crop Production	91	80	82	794	699	717
Grains & oilseeds	86	69	72	*	*	*
Feed grain	74	60	64	*	*	*
Food grain	98	88	92	*	*	*
Oilseed	103	81	81	*	*	*
Livestock Production	112	134	129	1302	1561	1502
Meat animals	108	140	137	*	*	*
Dairy products	109	114	101	*	*	*
Poultry & egg	124	141	138	*	*	*

PRICES PAID INDEX	Dec 2013	Nov 2014	Dec 2014	Dec 2013	Nov 2014	Dec 2014
	2011 base[1]			1910-14=100		
Prices Paid	106	111	111	2878	3013	2998
Production	107	113	113	2233	2361	2348
Feed	109	105	106	1200	1161	1172
Livestock & poultry	124	177	174	2442	3490	3445
Seeds	111	114	114	3643	3752	3752
Fertilizer	91	94	92	1091	1126	1110
Chemicals	110	110	110	989	990	988
Fuels	102	89	82	2843	2483	2289
Ratio	94	91	92	(NA)	(NA)	(NA)
Parity Ratio[1]	(NA)	(NA)	(NA)	36	35	35

(NA) Not available.
*Beginning in January 2014 commodity groups were reclassified. This data is no longer published.
[1] USDA's National Agricultural Statistics Service updated the price index methodology beginning with the January 2014 Agricultural Prices Report. Methodological changes include updating the current base reference (1990-1992) to 2011; increasing vegetable, fruit, and nut commodity coverage; reclassification of the prices received commodity groups; and updating monthly commodity market weights.

HOGS & PIGS

On December 1, 2014 there were 7.85 million hogs and pigs on Minnesota farms, up 3 percent from September 2014 and up 1 percent from last December's 7.80 million head.

Minnesota's September-November 2014 pig crop was 3.07 million head, up 1 percent from the previous quarter. A total of 280,000 sows farrowed, unchanged from the previous quarter. The average pigs saved per litter was 10.95 for the September-November quarter, setting a new record for pigs saved per litter.

As of December 1, Minnesota producers planned to farrow 285,000 head of sows and gilts in the December 2014-February 2015 quarter. Farrowing intentions for the March-May 2015 period are also estimated at 290,000 as of December 1, 2014.

United States inventory of all hogs and pigs on December 1, 2014 was 66.1 million head. This was up 2 percent from December 1, 2013, and up 1 percent from September 1, 2014.

Breeding inventory, at 5.97 million head, was up 4 percent from last year, and up 1 percent from the previous quarter.

Market hog inventory, at 60.1 million head, was up 2 percent from last year, and up 1 percent from last quarter.

The September-November 2014 pig crop, at 29.4 million head, was up 4 percent from 2013. Sows farrowing during this period totaled 2.87 million head, up 3 percent from 2013. The sows farrowed during this quarter represented 48 percent of the breeding herd. The average pigs saved per litter was a record high 10.23 for the September-November period, compared to 10.16 last year. Pigs saved per litter by size of operation ranged from 8.10 for operations with 1-99 hogs and pigs to 10.30 for operations with more than 5,000 hogs and pigs.

United States hog producers intend to have 2.87 million sows farrow during the December-February 2015 quarter, up 4 percent from the actual farrowings during the same period in 2014, and up 3 percent from 2013. Intended farrowings for March-May 2015, at 2.90 million sows, are up 3 percent from 2014, and up 3 percent from 2013.

The total number of hogs under contract owned by operations with over 5,000 head, but raised by contractees, accounted for 46 percent of the total United States hog inventory, down from 48 percent last year.

Hogs and Pigs: Breeding, Market, and Total Inventory By Selected States and United States, December 1, 2013-2014 [Data may not add to totals due to rounding.]

State	Breeding			Market			Total		
	2013	2014	'14 as % of '13	2013	2014	'14 as % of '13	2013	2014	'14 as % of '13
	(1,000 head)	(1,000 head)	(percent)	(1,000 head)	(1,000 head)	(percent)	(1,000 head)	(1,000 head)	(percent)
Illinois	500	500	100	4,050	4,100	101	4,550	4,600	101
Iowa	970	1,010	104	19,230	19,890	103	20,200	20,900	103
Minnesota	**550**	**560**	**102**	**7,250**	**7,290**	**101**	**7,800**	**7,850**	**101**
Missouri	345	400	116	2,405	2,350	98	2,750	2,750	100
Nebraska	390	405	104	2,660	2,695	101	3,050	3,100	102
North Carolina	870	880	101	7,630	7,720	101	8,500	8,600	101
United States	5,757	5,969	104	59,018	60,082	102	64,775	66,050	102

Market Hogs and Pigs: Inventory Number by Weight Group, Selected States, and United States, December 1, 2013-2014 [Data may not add to totals due to rounding.]

State	Under 50 pounds		50-119 pounds		120-179 pounds		180 pounds and over	
	2013	2014	2013	2014	2013	2014	2013	2014
	(1,000 head)	(1,000 head)	(1,000 head)	(1,000 head)	(1,000 head)	(1,000 head)	(1,000 head)	(1,000 head)
Illinois	1,250	1,310	1,210	1,140	730	750	860	900
Iowa	4,840	5,110	5,940	6,300	4,850	4,710	3,600	3,770
Minnesota	**2,650**	**2,560**	**1,980**	**2,100**	**1,390**	**1,460**	**1,230**	**1,170**
Missouri	1,150	1,100	450	440	325	360	480	450
Nebraska	830	900	750	790	560	515	520	490
North Carolina	2,600	2,910	1,800	1,730	1,630	1,580	1,600	1,500
United States	18,389	19,027	16,080	16,630	12,576	12,635	11,972	11,792

WORLD AGRICULTURAL SUPPLY & DEMAND ESTIMATES

WHEAT: Projected U.S. wheat supplies for 2014/15 are raised 10 million bushels this month with higher projected imports. Increased production and higher imports from Canada are expected to add to U.S. wheat supplies. The entire import increase is for Durum. Domestic use projections and wheat exports are unchanged. However, a 15-million-bushel reduction for Hard Red Winter exports is offset by 5-million-bushel increases for Hard Red Spring, White, and Durum. Ending stocks for all wheat are projected 10 million bushels higher with the supply increase. The projected season-average farm price range is raised 10 cents per bushel at the midpoint to $5.80 to $6.20 per bushel on prices reported to date and recently higher cash and futures prices.

COARSE GRAINS: U.S. feed grain supply and use projections for 2014/15 are mostly unchanged as a small increase in projected corn food, seed, and industrial (FSI) use reduces ending stocks slightly. Expected corn use for sweeteners is raised 10 million bushels dropping projected corn ending stocks just below 2.0 billion bushels. Supply and use projections for the other feed grains are unchanged. The projected range for the season-average corn farm price is unchanged at $3.20 to $3.80 per bushel. The sorghum farm price range is raised 5 cents on each end to $3.20 to $3.80 per bushel, equal to corn, as strong demand from China supports sorghum prices.

OILSEEDS: Total U.S. oilseed production for 2014/15 is projected at 117.0 million tons, down slightly due to a small reduction in cottonseed. Soybean exports are increased 40 million bushels to 1,760 million reflecting the record export pace in recent weeks and prospects for additional sales and shipments ahead of the South American harvest. With crush unchanged, soybean ending stocks for 2014/15 are projected at 410 million bushels, down 40 million from last month but still the highest since 2006/07.

The U.S. season-average soybean price range for 2014/15 is projected at $9.00 to $11.00 per bushel, unchanged from last month. The soybean meal price is projected at $340 to $380 per short ton, up 10 dollars on both ends of the range. The soybean oil price range is projected at 32 to 36 cents per pound, down 2 cents on both ends reflecting lower-than-expected early season vegetable oil prices and lower petroleum prices.

LIVESTOCK, POULTRY, AND DAIRY: The forecast for total meat production in 2014 is lowered from last month, as lower beef production in the fourth quarter more than offsets increased pork production. Beef production is reduced as slaughter is expected lower. However, carcass weights remain heavy which partly offsets the decline. Hog slaughter for the fourth quarter is increased from last month as slaughter to date has been strong. A small revision is made to third-quarter broiler slaughter but the forecasts for fourth quarter broiler and turkey production are unchanged. For 2015, total meat production is slightly higher on small increase in beef production; other production forecasts are unchanged. USDA will release its *Quarterly Hogs and Pigs* report on December 23, providing an indication of producers' sow farrowing intentions into 2015.

The forecast for 2014 beef imports is raised on the pace of imports to date, but the export forecast is unchanged from last month. No change is made to 2015 forecasts. Pork imports are raised for 2014 and exports are reduced as relatively high prices are expected to encourage imports and limit sales opportunities. For 2015, the import forecast is raised but exports are unchanged. No change is made to the broiler or turkey export forecasts.

The cattle price forecasts for 2014 and 2015 are raised from last month on continued demand strength and tight supplies of fed cattle. The hog price forecast for 2014 is lowered on current prices, but the 2015 price is unchanged. The broiler and turkey price forecasts for 2014 are raised. The turkey price forecast is increased for 2015 but broilers are unchanged. The egg price forecasts for 2014 and 2015 are raised on expectations of strong demand through the end of 2014 and into early 2015.

The milk production forecast for 2014 is unchanged from last month, but is lowered for 2015 as growth in milk per cow is expected to be more moderate. Fat basis imports are reduced for 2014 as milkfat imports have been lower than expected. Export forecasts on a skim-solids basis are raised for 2014 on stronger whey product sales to date. Fat and skim-solids basis trade forecasts for 2015 are unchanged.

The butter price is raised for 2014, reflecting current price movements, but the price forecast for 2015 is unchanged at the midpoint of the range. Cheese and nonfat dry milk (NDM) prices are reduced for both 2014 and 2015 as supplies are expected to remain large. Whey prices are unchanged from last month. Class III prices for 2014 and 2015 are lowered on weaker cheese prices. The Class IV price is unchanged for 2014 as a higher butter price is offset by a lower NDM price. For 2015 a lower NDM price results in a reduced Class IV price forecast. The all milk price is lowered to $24.05 to $24.15 per cwt for 2014 and $18.45 to $19.25 per cwt for 2015.

SOURCE: USDA-WAOB-WASDE-536, December 10, 2014