North Dakota

FARM REPORTER

Issue: 09-07 May 4, 2007

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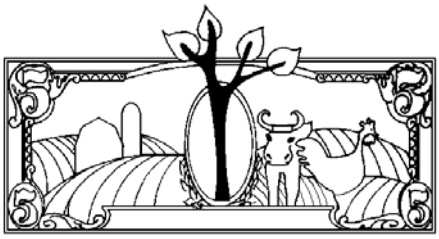
AGRICULTURAL PRICES

North Dakota
The Index of Prices Received for All Farm Products in April is 129 percent of the 1990-1992 base. This is up 18 percent from last year and 15 percent above two years ago. The All Crops Index, at 132 percent of the base, is up 25 percent from April 2006 and the All Livestock and Products Index, at 119 percent, is up 1 percent from last year. April indexes are calculated using preliminary mid-month prices.

United States
The April All Farm Products Index is 135 percent of its 1990-92 base, up 1 percent from the March index and 22 percent above the April 2006 index. The All Crops Index is 144, down 1 percent from March but 21 percent above April 2006. The Livestock and Products Index, at 129, is 2 percent above last month and up 23 percent from April 2006.



Prices Received by Farmers
North Dakota and United States, April 2007

Item	Unit	North Dakota			United States			Effective U.S. Parity Price Apr 2007
		Entire Month		Preliminary	Entire Month		Preliminary	
		Apr 2006	Mar 2007	Apr 2007	Apr 2006	Mar 2007	Apr 2007	
		Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Wheat, All	*Bu*	3.77	4.80	4.91	3.81	4.75	4.94	10.90
Durum	*Bu*	3.40	5.33	5.40	3.41	5.33	5.39	NA
Spring	*Bu*	3.90	4.68	4.80	3.95	4.76	4.92	NA
Winter	*Bu*	3.37	4.56	4.50	3.74	4.67	4.91	NA
Corn	*Bu*	1.90	3.11	2.95	2.11	3.43	3.20	8.04
Oats	*Bu*	1.64	2.17	2.25	1.75	2.39	2.39	4.50
Barley, All	*Bu*	2.16	2.92	3.08	2.65	3.10	3.29	7.58
Feed	*Bu*	1.68	2.95	3.00	1.81	3.23	3.36	NA
Malting	*Bu*	2.43	2.92	3.10	2.88	3.08	3.27	NA
Sunflower, All	*Cwt*	11.70	15.40	15.60	11.90	15.60	15.90	34.80
Oil	*Cwt*	9.59	14.90	15.00	NA	NA	NA	NA
Non-oil	*Cwt*	17.50	17.30	17.50	NA	NA	NA	NA
Baled Hay, All [1/]	*Ton*	48.00	66.00	66.00	105.00	117.00	124.00	NA
Alfalfa [1/]	*Ton*	50.00	70.00	70.00	108.00	120.00	128.00	NA
Other [1/]	*Ton*	36.00	52.00	49.00	94.90	108.00	113.00	NA
Canola	*Cwt*	9.92	13.10	NA	NA	NA	NA	28.70
Flaxseed	*Bu*	5.56	6.83	6.85	5.56	6.83	6.85	17.60
Soybeans	*Bu*	5.08	6.54	6.50	5.52	6.95	6.81	17.80
Dry Edible Beans, All	*Cwt*	14.50	23.90	22.80	18.90	25.80	26.00	57.00
Navy	*Cwt*	17.10	20.20	NA	NA	NA	NA	NA
Pinto	*Cwt*	14.10	24.00	NA	NA	NA	NA	NA
Potatoes, All	*Cwt*	7.60	6.90	6.95	8.35	8.34	9.78	17.10
Fresh [2/]	*Cwt*	12.00	7.30	NA	12.32	11.95	NA	NA
Processing	*Cwt*	5.90	6.55	NA	6.04	6.34	NA	NA
Beef Cattle	*Cwt*	90.10	94.70	90.80	84.80	92.00	94.60	213.00
Steers & Heifers	*Cwt*	99.20	101.00	101.00	89.20	97.70	100.00	NA
Cows	*Cwt*	51.20	48.30	50.00	48.40	47.20	48.80	NA
Calves	*Cwt*	125.00	119.00	118.00	137.00	124.00	126.00	306.00
Sheep	*Cwt*	33.00	30.00	NA	35.20	35.60	NA	103.00
Lambs	*Cwt*	90.00	99.00	NA	87.20	95.80	NA	249.00
Hogs	*Cwt*	40.70	46.10	NA	41.30	45.00	46.00	122.00

1/ Alfalfa, other and all hay are preliminary prices only. 2/ Fresh market prices only, includes table stock. NA=Not applicable.

USDA, National Agricultural Statistics Service, North Dakota Field Office ▪ P.O. Box 3166 ▪ Fargo, ND 58108-3166
701-239-5306 ▪ E-mail: nass-nd@nass.usda.gov ▪ Internet: http://www.nass.usda.gov/Statistics_by_State/North_Dakota/

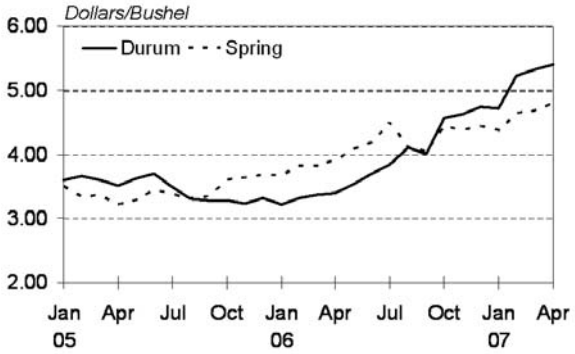
AGRICULTURAL PRICES (Continued)

Index Numbers of Farm Prices
North Dakota and United States, April 2007

Indexes and Ratios	North Dakota			United States		
	Apr 2006	Mar 2007	Apr 2007	Apr 2006	Mar 2007	Apr 2007
Prices Received	*(1990-92 = 100)*					
All Farm Products	109	130	129	111	134	135
Crops	106	134	132	119	145	144
Food Grains	120	153	156	125	154	159
Feed Grains & Hay	92	139	134	101	151	144
Oil Bearing Crops [1/]	97	126	125	99	125	122
Potatoes & Dry Beans [2/]	106	111	107	138	142	164
Livestock and Products	118	120	119	105	126	129
Meat Animals	120	122	121	111	119	123
Dairy Products	110	109	110	93	119	126
Other Livestock Products [3/]	112	112	112	104	148	146
Prices Paid	NA	NA	NA	148	155	157
Ratio [4/]	NA	NA	NA	75	86	86

1/ Includes non-oil sunflower. 2/ North Dakota includes sugarbeets. 3/ United States excludes wool. 4/ Ratio of Index of Prices Received to Index of Prices Paid. NA=Not applicable.

Durum & Spring Wheat: Prices Received
North Dakota, January 2005-April 2007



UPCOMING NASS SURVEYS

Mid-year USDA Agricultural Survey data collection starts May 26 and runs through July 10. The specific survey titles are the **June Quarterly Crops/Stocks Survey**, **June Quarterly Hog Survey**, **June Area Frame Survey** (annually), **July Cattle Survey** and **July Sheep and Goat Survey**. These surveys are used in estimating the planted and harvested acreage for principle crops, the amount of stored grain, livestock inventories and more. Without the data from these surveys, policymakers, farm organizations and others who make critical decisions that affect farmers/ranchers would make those decisions based on opinion rather than fact…and that's dangerous.

The **Small Grains Variety Survey** collects information on barley and wheat (durum, spring and winter) varieties grown in North Dakota. The North Dakota Wheat Commission, NDSU Extension Service, NDSU Experiment Station and the American Malting Barley Association provide supporting funds for this survey. The survey period is June 1-July 3. This provides a snapshot of the different barley and wheat varieties grown in North Dakota, and the first district level planted acreage estimates for these crops.

The following is a schedule of upcoming NASS reports for May-July. Most of these reports will be published in upcoming Farm Reporters. For more immediate information, call our office at 701-239-5306 or 1-800-626-3134 after the release time or go online to: **http://www.nass.usda.gov/Statistics_by_State/North_Dakota/**.

These are the following release dates:

	May	CST
Crop Production……	11	7:30 am
Potato Stocks……	15	2:00 pm
Ag Chemical Usage-Field Crops…	16	2:00 pm
Agricultural Prices……	31	2:00 pm

	June	CST
Crop Production……	11	7:30 am
Potato Stocks……	14	2:00 pm
Agricultural Prices……	28	2:00 pm
Acreage Report……	29	7:30 am
Grain Stocks Report……	29	7:30 am
U.S. Hog and Pigs Report……..	29	2:00 pm

	July	CST
Crop Production……	12	7:30 am
Barley Varieties Release……	12	2:00 pm
Wheat Varieties Release……	18	2:00 pm
Milk Production……	18	2:00 pm
U.S. Cattle Report……	20	2:00 pm
U.S. Sheep Report……	20	2:00 pm
Agricultural Prices……	31	2:00 pm

U.S. SOYBEAN MARKET: FUTURE DEPENDS ON RENEWABLE FUELS

Over the past decade, U.S. soybean production has climbed steadily, responding to increased domestic and global demand for the coproducts of soybean crushing—high-protein soybean meal for animal feed, and soybean oil for edible and inedible uses. During the same period, policy changes have allowed soybean producers to respond to market signals, especially with nearly complete planting flexibility following the 1996 Farm Act.

By the 2004/05 crop year, U.S. soybean output and consumption had both achieved record levels. However, the U.S. soybean sector faces unprecedented competition in export markets. Future soybean acreage could also be constrained by the market and policy developments affecting demand for other crops. In particular, a mandate for increased production of renewable fuels will have a major impact on the economics of growing soybeans.

Growth prospects for domestic per capita soybean oil consumption, soybean meal demand, and exports are considered relatively stable, so U.S. revenues from soybeans may increasingly rely on the expansion of less traditional sources of demand. In particular, policies and market factors affecting biodiesel demand could have a significant impact on soybean consumption. Food uses (e.g., protein supplements, soy beverages) also show promise as niche markets for soybeans.

Market Background

Soybeans account for about 90 percent of U.S. oilseed production. In 2005, planted soybean acreage was 72.1 million acres and farm production value was nearly $17 billion, trailing only corn in U.S. crop area and production value.

Since it accounts for nearly 80 percent of the physical output from processing soybeans, meal is typically the most valuable end product. Depending on the prices of soybean meal versus soybean oil, soybean meal can range from 50 to 75 percent of the processing value. Soybean meal is by far the world's most important protein feed, accounting for nearly 65 percent of world protein feed supplies. Livestock feeds account for 98 percent of U.S. soybean meal consumption, with the remainder used in human foods such as bakery ingredients and meat substitutes.

Soybean oil generally contributes less than soybean meal to the value of processed soybean products, as it constitutes just 18-19 percent of the weight of soybeans. The oil yield of soybeans is considerably lower than oilseeds such as sunflowerseed and canola. However, the dominance of soybeans in crop production allows soybean oil to account for about two-thirds of total U.S. consumption of vegetable oils and rendered animal fats. It is mainly used in salad and cooking oil, bakery shortening, frying fat, and margarine, as well as in a number of industrial applications.

Domestic Supply

Compared with corn, wheat, and some other crops, soybeans were a minor U.S. crop until after the Second World War, when demand for vegetable oil and meat consumption rose rapidly with increasing incomes and population. Soybean acreage rose rapidly after 1945, but after surpassing 71 million acres in 1979, generally declined. In spite of several years of high prices during the 1980s, U.S. soybean acreage stagnated largely due to farm programs for other crops. Beginning in the early 1990s, soybean planting decisions became more market oriented, and acreage generally increased.

In addition to an increase in acreage, steadily rising yields also contributed to the growth in soybean production through 2004. New seed varieties, improved fertilizer and pesticide applications, and new management practices have all contributed to higher yields. For example, the adoption of narrow-row planting (7- to 8-inch rows vs. 30-inch rows) benefited soybean yields throughout the 1990s as it usually increased the number of pods per acre. Many producers adopted conservation tillage to meet conservation compliance requirements enacted in farm legislation, but the practice also contributed to higher yields from improved retention of soil moisture.

Future Production

Although U.S. soybean acreage expanded strongly over the past decade, the extent of future acreage and production increases could be limited by several factors, particularly competition for area from other crops (primarily corn) and possible constraints on yield growth.

During the past 15 years, aggregate acreage sown to the three primary U.S. field crops (corn, soybeans, and wheat) has tended to be very stable, consistently hovering within 5 percent of 212 million acres. Higher soybean acreage was mainly possible due to an expansion into areas formerly dominated by wheat. However, a rapid rise in corn demand for conversion into ethanol production could gradually squeeze the acreage available for both soybeans and wheat. A conversion of marginally productive (and more fragile) farmland currently under Conservation Reserve Program contracts back into cropland might ease the acreage constraint, but that would require modifying environmental goals articulated by Congress two decades ago. The return of this marginal farmland could also slow growth in soybean yields, particularly if higher corn prices, boosted by ethanol demand, allowed corn to displace soybeans on higher yielding soils.

The limits on acreage mean that the potential for expanding U.S. soybean output will depend heavily on the ability to improve yields. Over the last 2 years, soybean yields have been record-high due mainly to favorable weather.

The upward trend in soybean yields is largely the result of new varieties that perform better under climate and pest pressures. New lines are now being introduced that tolerate the soybean cyst nematode, the most destructive of the current crop pests. Varieties that resist soybean aphids are expected within 3 years. Research is underway to find varieties with tolerance for Asian soybean rust, as is government research to map the entire genetic sequence of the soybean.

Source: *Soybean Backgrounder*, USDA-ERS, April 2006

ANNUAL DAIRY PRODUCTION

United States
Total cheese production, excluding cottage cheeses, was 9.53 billion pounds, 4 percent above 2005 production. Wisconsin was the leading State with 26 percent of the production.

Italian varieties, with 3.99 billion pounds were 5 percent above 2005 production and accounted for 42 percent of total cheese in 2006. Mozzarella accounted for 79 percent of the Italian production followed by Provolone with 8 percent and Ricotta with 6 percent. California was the leading State in Italian cheese production with 30 percent of the production.

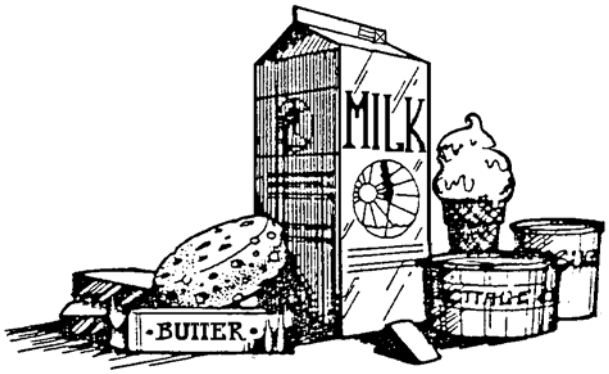
American type cheese production was 3.91 billion pounds, 3 percent above 2005 and accounted for 41 percent of total cheese in 2006. Wisconsin was the leading State in American type cheese production with 21 percent of the production.

Butter production in the United States during 2006 totaled 1.45 billion pounds, 8 percent above 2005. California accounted for 31 percent of the production, followed by Wisconsin with 26 percent.

Dry milk powders: (2006 production, comparisons with 2005)
- ❖ Nonfat dry milk, human: 1.22 billion pounds, up 1 percent.
- ❖ Skim milk powders: 289 million pounds, down 10 percent.

Whey products: (2006 production, comparisons with 2005)
- ❖ Dry whey, total: 1.10 billion pounds, up 6 percent.
- ❖ Lactose, human and animal: 739 million pounds, up 4 percent.
- ❖ Whey protein concentrate, total: 428 million pounds, up 11 percent.

Frozen products: (2006 production, comparisons with 2005)
- ❖ Ice cream, Regular (total): 966 million gallons, up 1 percent.
- ❖ Ice cream, Lowfat (total): 372 million gallons, up 3 percent.
- ❖ Sherbet (total): 52.1 million gallons, down 8 percent.
- ❖ Frozen Yogurt (total): 67.5 million gallons, up 2 percent.



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