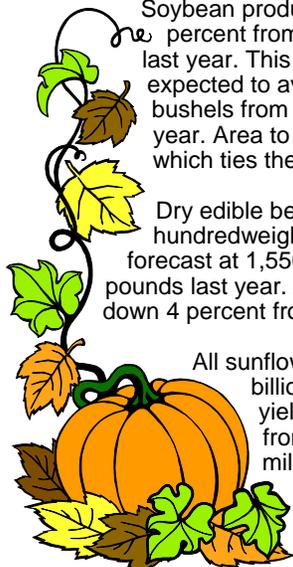


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CROP PRODUCTION

North Dakota Corn for grain production is forecast is at a record high 298 million bushels, up 11 percent from the September forecast and 9 percent above last year. Based on the conditions as of October 1, yields are expected to average 127 bushels per harvested acre, up 2 bushels from the September forecast and up 11 bushels from last year. Area to be harvested is estimated at 2.35 million acres, which ties the record high set last year.



Soybean production is forecast at 120 million bushels, up 3 percent from the September forecast and up 10 percent from last year. This ties the record high set in 2006. Soybean yields are expected to average 31.0 bushels per harvested acre, down 4 bushels from the September forecast and 4.5 bushels from last year. Area to be harvested is estimated at 3.87 million acres, which ties the record high set in 2006.

Dry edible bean production is forecast at 9.92 million hundredweight (cwt), down 6 percent from last year. Yield is forecast at 1,550 pounds per harvested acre, down from 1,590 pounds last year. Area for harvest is expected to be 640,000 acres, down 4 percent from last year.

All sunflower (oil and non-oil) production is forecast at 1.57 billion pounds, up 5 percent from 2007. The average yield for all sunflower is forecast at 1,444 pounds, up from 1,414 pounds last year. Area for harvest is 1.09 million acres, up 3 percent from last year.

Canola production is forecast at 1.40 billion pounds, up 5 percent from 2007. The yield is forecast at 1,520 pounds, up 280 pounds from last year. Area for harvest is estimated at 920,000 acres, down 14 percent from 2007.

**Crop Summary: Area Planted and Harvested
North Dakota and United States, 2007 and Forecasted October 1, 2008 ¹**

Crop	North Dakota				United States			
	Area Planted		Area Harvested		Area Planted		Area Harvested	
	2007	2008	2007	2008	2007	2008	2007	2008
	<i>1,000 Acres</i>							
Barley	1,470	1,650	1,390	1,540	4,020	4,234	3,508	3,767
Corn for Grain ²	2,550	2,600	2,350	2,350	93,600	86,909	86,542	79,197
Corn for Silage			170				6,071	
Hay, All			2,780	2,850			61,625	60,439
Alfalfa			1,650	1,550			21,670	20,778
All Other			1,130	1,300			39,955	39,661
Oats	460	320	260	130	3,760	3,217	1,505	1,395
Rye ³					1,376	1,260	289	269
Wheat, All	8,595	9,230	8,405	8,640	60,433	63,047	51,011	55,685
Winter	465	630	445	550	44,987	46,181	35,952	39,614
Durum	1,480	1,800	1,460	1,690	2,149	2,731	2,112	2,584
Spring	6,650	6,800	6,500	6,400	13,297	14,135	12,947	13,487
Canola	1,080	940	1,070	920	1,183	1,035	1,163	1,006
Flaxseed	320	315	317	310	354	340	349	333
Mustard Seed ³					56.0	67.0	52.8	64.0
Rapeseed ³					1.5	0.5	1.0	0.4
Safflower ³					180	191	172	183
Soybeans	3,100	3,950	3,060	3,870	64,736	76,983	64,141	75,479
Sunflower, All	1,075	1,125	1,055	1,085	2,068.0	2,527.0	2,009.5	2,405.0
Oil	910	970	895	935	1,764.0	2,169.0	1,717.0	2,064.0
Non-oil	165	155	160	150	304.0	358.0	292.5	341.0
Sugarbeets	252	218	247	212	1,268.8	1,110.1	1,246.8	1,053.1
Dry Edible Beans, All	690.0	670.0	665.0	640.0	1,526.9	1,502.9	1,478.7	1,434.6
Dry Edible Peas	515	510	500	490	847.5	847.0	811.3	807.8
Lentils	110	100	106	96	303	279	295	272
Fall Potatoes, All	97.0	83.0	91.0	79.0	1,010.8	929.1	996.8	916.2

¹ Data are latest estimates available. ² Area planted for all purposes. ³ Published at U.S. level only.

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CROP PRODUCTION (Continued)

United States

Corn for grain production is forecast at 12.2 billion bushels, up 1 percent from last month but 7 percent below 2007. Based on conditions as of October 1, yields are expected to average 154.0 bushels per acre, up 1.7 bushels from September and 2.9 bushels above last year. Area harvested and to be harvested for grain is forecast at 79.2 million acres, down 93,000 acres from the previous forecast.

Soybean production is forecast at 2.98 billion bushels, up 2 percent from the September forecast and up 11 percent from last year. Yields are expected to average 39.5 bushels per acre, down 0.5 bushel from last month and down 2.2 bushels from 2007. Area for harvest is forecast at 75.5 million acres, up 3 percent from last month and up 18 percent from 2007. Harvested area, if realized, will be the largest on record.

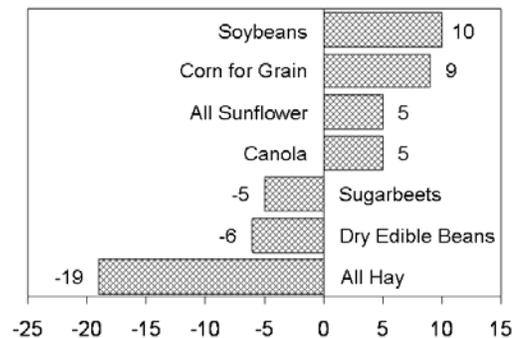
Dry edible bean production is forecast at 25.4 million cwt for 2008, up 5 percent from the previous estimate and up slightly from 2007. Yield is forecast at 1,772 pounds per acre, a decrease of 14 pounds from August's forecast but 56 pounds above the 2007 yield. Harvested area is forecast at 1.43 million acres, 6 percent above the last forecast but 3 percent below the previous year's harvested acreage.

Sunflower production for 2008 is forecast at 3.48 billion pounds, up 21 percent from 2007 and up 63 percent from 2006. The yield forecast, at 1,449 pounds, is 13 pounds

higher than last year. Sunflower growers expect to harvest 2.41 million acres, up 17 percent from June and up 20 percent from the 2007 acreage.

Canola production for 2008 is forecast at 1.52 billion pounds, up 5 percent from 2007. The yield forecast, at 1,514 pounds per acre, is 264 pounds above last year's yield. Canola farmers expect to harvest 1.01 million acres, up 3 percent from June but down 13 percent from 2007.

**2008 Production Forecast
Percent Change from 2007
North Dakota, October 1, 2008**



**Crop Summary: Yield and Production
North Dakota and United States, 2007 and Forecasted October 1, 2008¹**

Crop	Unit	North Dakota				United States				
		2007	2008		2007	2008	2008		2007	2008
			Yield	Production			Yield	Production		
			Sep 1	Oct 1			Sep 1	Oct 1		
Barley ²	Bu	56.0		56.0	77,840	86,240	60.4	63.6	211,825	239,498
Corn for Grain	Bu	116.0	125.0	127.0	272,600	298,450	151.1	152.3	13,073,893	12,199,908
Corn for Silage	Tons	11.0			1,870		17.5		106,328	
Hay, All	Tons	1.87		1.47	5,191	4,183	2.44	2.49	150,304	150,500
Alfalfa	Tons	2.05		1.65	3,383	2,558	3.35	3.44	72,575	71,424
All Other	Tons	1.60		1.25	1,808	1,625	1.95	1.99	77,729	79,076
Oats ²	Bu	59.0		51.0	15,340	6,630	60.9	63.5	91,599	88,635
Rye ^{2,3}	Bu						27.4	29.7	7,914	7,979
Wheat, All ²	Bu	35.7		36.0	300,050	311,200	40.5	44.9	2,066,722	2,499,524
Winter ²	Bu	50.0		41.0	22,250	22,550	42.2	47.2	1,515,989	1,867,903
Durum ²	Bu	30.0		25.0	43,800	42,250	33.9	32.8	71,686	84,877
Spring ²	Bu	36.0		38.5	234,000	246,400	37.0	40.5	479,047	546,744
Canola	Lbs	1,240		1,520	1,326,800	1,398,400	1,250	1,514	1,453,830	1,523,246
Flaxseed	Bu	17.5			5,548		16.9		5,904	
Mustard Seed ³	Lbs						603		31,826	
Rapeseed ³	Lbs						1,300		1,300	
Safflower ³	Lbs						1,215		208,995	
Soybeans	Bu	35.5	35.0	31.0	108,630	119,970	41.7	40.0	2,675,822	2,983,023
Sunflower, All	Lbs	1,414		1,444	1,492,000	1,567,250	1,436	1,449	2,886,065	3,484,740
Oil	Lbs	1,440			1,288,800		1,454		2,495,920	
Non-oil	Lbs	1,270			203,200		1,334		390,145	
Sugarbeets	Tons	23.1	23.0	25.5	5,706	5,406	25.6	24.7	31,912	27,958
Dry Edible Beans, All ⁴	Cwt	1,590		1,550	10,574	9,920	1,716	1,772	25,371	25,423
Dry Edible Peas ⁴	Cwt	2,080			10,400		1,960		15,903	
Lentils ⁴	Cwt	1,260			1,336		1,155		3,408	
Fall Potatoes, All	Cwt	260			23,660		409		407,517	

¹ Data are latest estimates available. ² Estimates carried forward from the September Small Grains 2008 summary. ³ Published at U.S. level only. ⁴ Yield in pounds.

WORLD AGRICULTURAL SUPPLY & DEMAND ESTIMATES

WHEAT: U.S. wheat ending stocks for 2008/09 are raised 27 million bushels this month as increased production more than offsets higher projected feed and residual use. Production is raised 37 million bushels based on the latest production estimate from the *Small Grains Summary* report. Feed and residual use is raised 10 million bushels on higher than expected feed and residual use during the June-August quarter as indicated by the September 1 stocks. Projected exports are unchanged, but by-class export adjustments include a 10 million bushel increase for soft red winter wheat and 5 million bushel reductions each for hard red spring and white wheat. The all wheat season average farm price is projected at \$6.60 to \$7.40 per bushel, down from \$6.70 to \$7.80 last month on larger domestic and world supplies and recent sharp declines in cash and futures prices.

Global 2008/09 wheat production is projected at a record 680.2 million tons, up 3.9 million from last month. Increases for Canada, Russia, Ukraine, and the United States more than offset reductions for Argentina, Australia, and Kazakhstan. Production for Canada is raised 1.9 million tons based on the latest official estimates. Production is raised 1.0 million tons for Russia on higher reported area and yields. Ukraine production is raised 1.0 million tons on higher reported yields. Production for Argentina is lowered 0.5 million tons as harvested area is reduced in line with reductions in government estimates for seeded area. Production is lowered 0.5 million tons for Australia as government statistics and other reports indicate harvested area losses due to drought and haying. Kazakhstan production is lowered 0.2 million tons as harvest results confirm the effects of August and early September dryness that stressed spring sown wheat during the critical grain fill stage.

COARSE GRAINS: U.S. feed grain supplies for 2008/09 are projected higher this month due to higher beginning stocks and production. September 1 corn stocks reported in the September 30 *Grain Stocks* report raise 2007/08 corn carryout 49 million bushels from last month's projection. Corn production for 2008/09, forecast at 12.2 billion bushels in the October *Crop Production* report, is raised 128 million bushels from the previous forecast. Higher forecast yields more than offset slightly lower area.

Ethanol corn use for 2008/09 is projected 100 million bushels lower as reduced gasoline consumption is expected to slow the expansion of blending modestly over the coming months. Other corn food, seed, and industrial use is lowered 10 million bushels reflecting slowing use as indicated by 2007/08 changes. Feed and residual use for 2008/09 is raised 150 million bushels on larger supplies, reduced availability of distillers grains, and sharply lower prices. Ending stocks are raised 136 million bushels. The season average farm price is projected at \$4.20 to \$5.20 per bushel, down 80 cents on each end of the range. Sharp declines in futures and cash prices over the past month have dramatically reduced price prospects for corn that was not forward priced.

U.S. sorghum production for 2008/09 is raised 38 million bushels this month as increased area more than offsets a reduction in forecast yields. Barley production is raised 22

million bushels as reported in the *Small Grains Summary*. Feed and residual use is raised for both commodities with the increase for barley also supported by higher than expected June-August disappearance as indicated by the September 1 stocks. Sorghum exports are raised 10 million bushels with the increase in supplies. The sorghum season average farm price is projected at \$3.70 to \$4.70 per bushel, down 75 cents on each end of the range. The barley farm price is projected at \$4.60 to \$5.60 per bushel, down 55 cents on each end of the range. The oats price is projected at \$2.65 to \$3.35 per bushel, down 45 cents on each end of the range.

Global coarse grain production for 2008/09 is raised 7.6 million tons as higher production for EU-27, Russia, Canada, and the United States more than offset a reduction for Brazil. EU-27 barley production is raised 1.6 million tons and corn production is raised 1.0 million tons. Barley production for Russia is raised 1.0 million tons and oats production is raised 0.4 million tons. Production for Canada is raised 0.3 million tons for barley and 0.2 million tons for oats in line with the latest official estimates. Corn production for Brazil is lowered 2.0 million tons on reduced area for the main summer (Southern Hemisphere) crop which is being planted. Large carryover supplies from the 2007/08 Brazil winter crop, as well as lower world corn prices and higher input costs, have reduced planting incentives for 2008/09.

OILSEEDS: U.S. oilseed ending stocks for 2008/09 are projected at 7.4 million tons, up 2.6 million from last month due to higher beginning stocks, reduced crush, and higher production. Total U.S. oilseed production is projected at 89.9 million tons, up 1.8 million from last month due to higher soybean, sunflowerseed, canola, and peanut production. Soybean production is forecast at 2.983 billion bushels, up 49 million from last month. Increased harvested area more than offsets a lower projected yield. Total soybean supplies are forecast up 111 million bushels with higher crop production and sharply higher beginning stocks. Soybean crush is reduced 25 million bushels to 1.76 billion based on weaker prospective domestic soybean meal demand. Soybean exports are raised 50 million bushels to 1.05 billion due to increased supplies and lower prices. Soybean ending stocks are projected at 220 million bushels, up 85 million from last month. Prices for soybeans and soybean products for 2008/09 are projected sharply lower this month. The U.S. season average soybean price range for 2008/09 is projected at \$9.60 to \$11.10, down \$2.00 on both ends of the range.

Global oilseed production for 2008/09 is projected at 420.4 million tons, up 2.6 million tons from last month. Global soybean production is projected up with increases for the United States, Canada, and EU-27. Global rapeseed production is projected higher mainly on increases for Canada and EU-27. Production in Canada is projected at a record 10.9 million tons, up 0.5 million based on the most recent survey from Statistics Canada. Global sunflowerseed production is projected lower as reduced prospects for the Argentina crop offset larger U.S. output. Lower prices and planting delays in Argentina due to dry weather have resulted in a reduction in projected planted area. Global cottonseed production is raised mainly due to higher output in China.

Source: WASDE, WAOB, USDA, October 10, 2008

MILK PRODUCTION

North Dakota

Milk production for July-September 2008 quarter totaled 104 million pounds, down 3.7 percent from 108 million pounds during the same period a year earlier. Average milk cows during the current quarter, at 27,000 head, were unchanged from the previous quarter but down 1,000 head for the July-September 2007 quarter. Milk produced per cow during the July-September quarter was 3,850 pounds, down from 3,960 pounds and 3,860 pounds from the previous quarter and the same period last year, respectively.

United States

Milk production in the U.S. during the July - September quarter totaled 46.8 billion pounds, up 1.6 percent from the July - September quarter last year. The average number of milk cows in the U.S. during the quarter was 9.28 million head, 118,000 head more than the same period last year. Production per cow during the July - September quarter averaged 5,049 pounds, up from 5,034 pounds the same period a year ago.

Milk Cows and Production: Selected States and United States July - September, 2007-2008

State	July-September Milk Cows ¹		July-September Milk Production ²		
	2007	2008	2007	2008	Change From 2007
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Million Pounds</i>	<i>Million Pounds</i>	<i>Percent</i>
North Dakota	28	27	108	104	-3.7
California	1,819	1,843	10,158	10,092	-0.6
Minnesota	463	465	2,137	2,168	1.5
New York	626	626	3,041	3,111	2.3
Wisconsin	1,248	1,252	6,109	6,143	0.6
United States	9,159	9,277	46,110	46,841	1.6

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

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