North Dakota

FARM REPORTER

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HOG INVENTORY

North Dakota
The December 1, 2008 all hogs and pigs inventory, at 151,000 head, decreased 31,000 from December 1, 2007 as a result of a drop in market hog inventory. This is the smallest total hogs and pigs level since 2003's inventory at 150,000. Over the past 10 years, the largest December 1 inventory was 205,000 head in 1998 while the lowest was the 144,000 head in 2002.

The breeding herd totaled 39,000 head, up 2,000 head from December 1, 2007. The 2007 annual pig crop totaled 662,000, up 51,000 from last year and the highest pig crop since 1959's crop of 824,000. Average pigs per litter, at 9.88, again set a new record high since recording began in 1924.

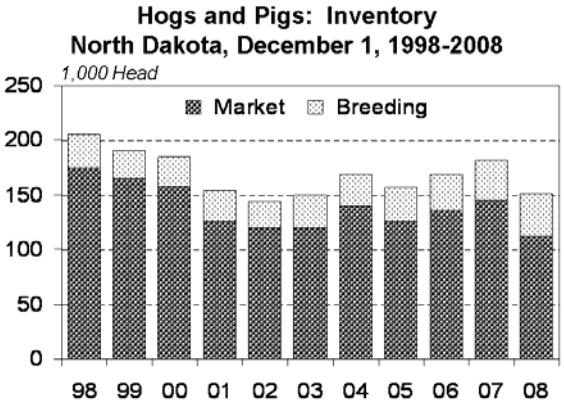
Market hogs on December 1 totaled 112,000, down 33,000 from the previous year. This is the lowest market hog inventory since recording began in 1963. Market inventory by weight group with respective changes from last year are as follows: 49,000 head weighing under 60 pounds, down 35 percent from the previous year; 24,000 head in the 60-119 pound range, down 11 percent; 23,000 head in the 120-179 pound range, down 4 percent; 16,000 head at or over 180 pounds, down 16 percent.

United States
Inventory of all hogs and pigs on December 1, 2008 was 66.7 million head. This was down 2 percent from both December 1, 2007 and September 1, 2008.

Breeding inventory, at 6.08 million head, was down 2 percent from last year but up slightly from the previous quarter. Market hog inventory, at 60.6 million head, was down 2 percent from both last year and last quarter.

The September-November 2008 pig crop, at 28.4 million head, was down 4 percent from 2007 but up 6 percent from 2006. Sows farrowing during this period totaled 2.99 million head, down 6 percent from 2007 but up 1 percent from 2006. The sows farrowed during this quarter represented 49 percent of the breeding herd. The average pigs saved per litter was 9.50 for the September-November 2008 period, compared to 9.28 last year.

Hog producers intend to have 2.97 million sows farrow during the December 2008-February 2009 quarter, down 3 percent from the actual farrowings during the same period in 2008 but up 2 percent from 2007. Intended farrowings for March-May 2009, at 3.01 million sows, are down 2 percent from 2008 and down 1 percent from 2007.



Hogs and Pigs: Inventory, Sows Farrowing, Pig Crop and Pigs Per Litter
North Dakota and United States, December 1, 2007-2008

Item	North Dakota		United States	
	2007	2008	2007	2008
	1,000 Head	*1,000 Head*	*1,000 Head*	*1,000 Head*
All Hogs and Pigs	182	151	68,177	66,708
Breeding	37	39	6,233	6,081
Market	145	112	61,944	60,627
Under 60 Pounds	75	49	22,545	21,297
60-119 Pounds	27	24	15,173	15,096
120-179 Pounds	24	23	12,658	12,716
180 Pounds and Over	19	16	11,569	11,518
Sows Farrowing				
Dec-Nov [1]	62.0	67.0	12,247	12,190
Pig Crop				
Dec-Nov [1]	611	662	112,874	114,704
Pigs Per Litter	*Head*	*Head*	*Head*	*Head*
Dec-Nov [1]	9.85	9.88	9.22	9.41

[1] December preceding year.

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AGRICULTURAL PRICES

North Dakota

The Index of Prices Received for All Farm Products in December is 182 percent of the 1990-1992 base. This is down 6 percent from last year but 39 percent above two years ago. The All Crops Index, at 199 percent of the base, is down 6 percent from December 2007 and the All Livestock and Products Index, at 114 percent, is down 9 percent from last year. December indexes are calculated using preliminary mid-month prices.

United States

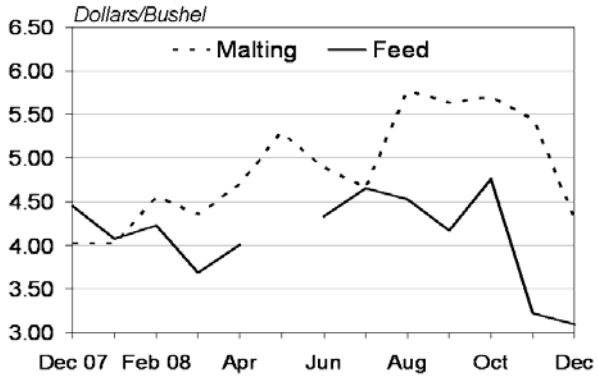
The December All Farm Products Index is 133 percent of its 1990-92 base, down 6 percent from both November 2008 and December 2007 indexes. The All Crops Index is 145, down 7 percent from November and 3 percent below December 2007. The Livestock and Products Index, at 120, is 3 percent below last month and down 10 percent from December 2007.

Index Numbers of Farm Prices
North Dakota and United States, December 2008

Indexes and Ratios	North Dakota			United States		
	Dec 2007	Nov 2008	Dec 2008	Dec 2007	Nov 2008	Dec 2008
Prices Received	*(1990-92 = 100)*					
All Farm Products	193	195	182	142	141	133
Crops	211	218	199	150	156	145
Food Grains	276	247	231	244	221	209
Feed Grains & Hay	183	221	205	166	187	177
Oil Bearing Crops [1]	194	215	184	177	173	167
Potatoes & Dry Beans [2]	133	168	158	124	158	160
Livestock and Products	125	115	114	134	124	120
Meat Animals	122	112	109	113	110	104
Dairy Products	155	149	155	165	131	122
Other Livestock Products [3]	130	129	129	145	149	148
Prices Paid	NA	NA	NA	166	181	177
Ratio [4]	NA	NA	NA	86	78	75

[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.

Barley Prices Received by Farmers
North Dakota, December 2007-December 2008



[1] May 2008 feed barley price not published to avoid disclosure of individual firms.

Prices Received by Farmers
North Dakota and United States, December 2008

Item	Unit	North Dakota			United States			Effective U.S. Parity Price Dec 2008
		Entire Month		Preliminary	Entire Month		Preliminary	
		Dec 2007	Nov 2008	Dec 2008	Dec 2007	Nov 2008	Dec 2008	
		Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Wheat, All	*Bu*	8.01	7.02	6.70	7.71	6.28	5.91	12.60
Durum	*Bu*	13.00	7.89	7.60	11.50	8.68	8.52	NA
Spring	*Bu*	7.49	7.00	6.70	7.39	7.12	6.65	NA
Winter	*Bu*	7.20	5.45	4.90	7.70	5.64	5.06	NA
Corn	*Bu*	3.48	4.32	4.20	3.77	4.26	4.05	7.95
Oats	*Bu*	[1]	2.21	[1]	2.69	2.99	2.40	5.17
Barley, All	*Bu*	4.14	5.31	4.18	4.44	5.41	4.36	8.68
Feed	*Bu*	4.45	3.22	3.10	4.79	3.32	3.01	NA
Malting	*Bu*	4.02	5.45	4.30	4.28	5.60	4.51	NA
Sunflower, All	*Cwt*	19.30	23.80	22.50	19.20	23.60	21.20	39.60
Oil	*Cwt*	19.00	22.20	NA	NA	NA	NA	NA
Non-oil	*Cwt*	20.50	35.20	NA	NA	NA	NA	NA
Baled Hay, All [2]	*Ton*	55.00	81.00	76.00	127.00	147.00	141.00	NA
Alfalfa [2]	*Ton*	59.00	85.00	82.00	135.00	163.00	155.00	NA
Other [2]	*Ton*	43.00	59.00	59.00	115.00	116.00	113.00	NA
Canola	*Cwt*	18.30	17.00	16.10	18.30	17.00	16.10	36.10
Flaxseed	*Bu*	13.10	13.00	10.00	13.10	13.00	10.00	21.30
Soybeans	*Bu*	9.87	9.71	8.90	10.00	9.38	8.97	19.60
Dry Edible Beans, All	*Cwt*	23.10	30.70	29.50	27.30	34.50	34.30	63.90
Navy	*Cwt*	22.80	32.60	NA	NA	NA	NA	NA
Pinto	*Cwt*	22.80	29.90	NA	NA	NA	NA	NA
Potatoes, All	*Cwt*	7.05	9.60	9.50	7.02	8.91	9.11	19.50
Fresh [3]	*Cwt*	8.40	15.60	NA	8.52	15.37	NA	NA
Processing	*Cwt*	6.50	6.50	NA	6.15	5.92	NA	NA
Beef Cattle	*Cwt*	88.10	80.80	78.90	89.20	84.90	79.90	241.00
Steers & Heifers	*Cwt*	102.00	91.50	89.00	95.30	91.00	85.70	NA
Cows	*Cwt*	44.00	45.00	43.00	45.00	43.10	39.80	NA
Calves	*Cwt*	115.00	99.00	97.00	120.00	106.00	101.00	349.00
Sheep	*Cwt*	27.00	23.00	NA	30.20	27.00	NA	110.00
Lambs	*Cwt*	103.00	95.00	NA	98.40	99.60	NA	274.00
Hogs	*Cwt*	38.80	39.30	NA	39.60	40.80	42.40	132.00

[1] Price not published to avoid disclosure of individual firms. [2] Alfalfa, other and all hay are preliminary prices only. [3] Fresh market prices only, includes table stock.
NA=Not applicable.

AMBER WAVES

Conservation Reserve Program Acreage To Decline; Will Benefits Also Fall?

The 2008 Farm Act continues a trend started in 2002 to emphasize land conservation as well as land retirement by encouraging good practices on land in production. For 2008-12, the Congressional Budget Office projects funding for land retirement programs (the Conservation Reserve Program (CRP) and the Wetlands Reserve Program) to be $13 billion, about 50 percent of mandatory spending in USDA conservation programs. Most of the balance (45 percent) will support conservation on working agricultural land through programs like the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP). The funding allocations represent a significant change from the 1990s, when the CRP dominated U.S. conservation policy and land retirement accounted for more than 90 percent of conservation payments to farmers. In recent years, CRP funding has also shifted toward partial field practices (such as field-edge filter strips and grassed waterways) that mitigate the environmental effects of land in crop production.

Over the next several years, CRP acreage could shrink rapidly. The Farm Act lowers the CRP acreage cap to 32 million acres (effective October 1, 2009) from the current enrollment of 34.7 million acres. By the end of 2011, CRP contracts on 13.9 million acres are scheduled to expire, creating ample room for new signups under the lower acreage cap. How many acres are actually enrolled is likely to depend largely on commodity supplies and prices.

As the CRP shrinks, can environmental losses be minimized? To some extent, previous USDA actions will limit environmental losses over the next few years. In 2006, USDA offered to renew or extend contracts on 28 million CRP acres scheduled to expire before 2010, and 83 percent of such offers were accepted. Extensions varied from 2 to 5 years, with longer extensions offered on land producing larger environmental benefits. Re-enrollments of 10 to 15 years were offered for the land with the highest benefits.

Because contract expiration will make room for new enrollments, the small, but growing segment of CRP known as continuous signup can continue to expand, even as the overall size of the program shrinks. Currently at about 4 million acres, CRP continuous signup can focus effort on environmentally sensitive areas and fund high-priority practices, including wetland restoration, that encompass small acreage but can produce relatively large environmental gains. Focusing on sensitive areas and high-priority practices could offset some of the environmental effects of fewer CRP acres. For example, filter strips that encompass only 1-3 percent of a drainage can remove as much as 50-90 percent of the nitrogen and phosphorous from runoff water. On the other hand, many environmental benefits, such as nesting habitat, are highly correlated with total acreage, and are not as easily replaced as CRP acreage declines.

Source: *Amber Waves*, USDA-ERS, November 2008

LIVESTOCK SLAUGHTER

United States

Commercial red meat production for the United States totaled 3.87 billion pounds in November, down 10 percent from the 4.30 billion pounds produced in November 2007.

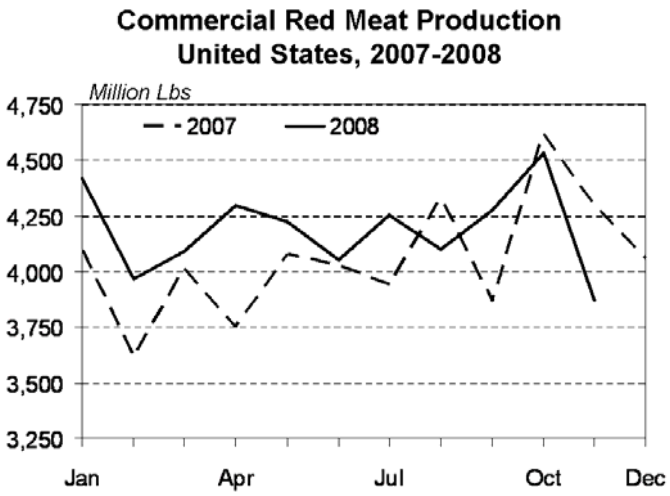
Beef production, at 1.96 billion pounds, was 12 percent below the previous year. Cattle slaughter totaled 2.52 million head, down 11 percent from November 2007. The average live weight was down 2 pounds from the previous year, at 1,302 pounds.

Veal production totaled 11.3 million pounds, 13 percent above November a year ago. Calf slaughter totaled 81,400 head, up 38 percent from November 2007. The average live weight was down 51 pounds from last year, at 240 pounds.

Pork production totaled 1.89 billion pounds, down 8 percent from the previous year. Hog kill totaled 9.32 million head, down 7 percent from November 2007. The average live weight was down 1 pound from the previous year, at 271 pounds.

Lamb and mutton production, at 12.9 million pounds, was down 20 percent from November 2007. Sheep slaughter totaled 193,700 head, 18 percent below last year. The average live weight was 133 pounds, down 3 pounds from November a year ago.

January to November 2008 commercial red meat production was 46.1 billion pounds, up 3 percent from 2007. Accumulated beef production was up 1 percent from last year, veal was up 2 percent, pork was up 7 percent from last year, and lamb and mutton production was down 5 percent.



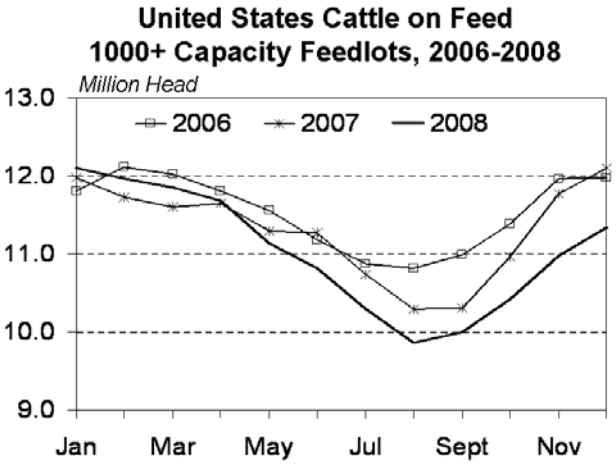
CATTLE ON FEED

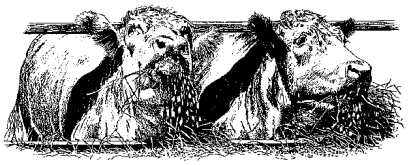
United States

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.3 million head on December 1, 2008. The inventory was 6 percent below December 1, 2007 and 5 percent below December 1, 2006.

Placements in feedlots during November totaled 2.02 million, 5 percent below 2007 but 7 percent above 2006. Net placements were 1.95 million head. During November, placements of cattle and calves weighing less than 600 pounds were 565,000, 600-699 pounds were 630,000, 700-799 pounds were 450,000, and 800 pounds and greater were 370,000.

Marketings of fed cattle during November totaled 1.58 million, 9 percent below 2007 and 12 percent below 2006. This is the second lowest fed cattle marketings for the month of November since the series began in 1996. Other disappearance totaled 67,000 during November, 18 percent above 2007 and 19 percent below 2006.





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