North Dakota
FARM REPORTER

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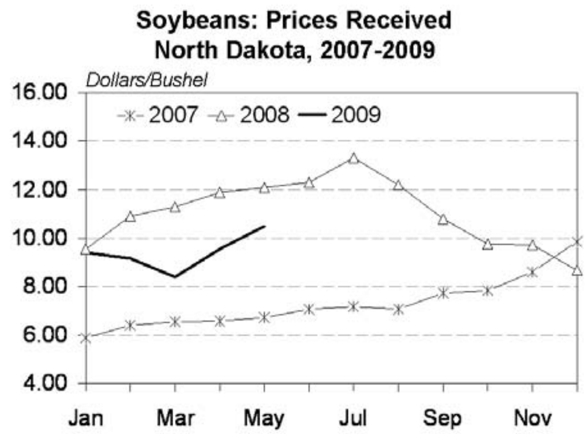
AGRICULTURAL PRICES

North Dakota The Index of Prices Received for All Farm Products in May is 157 percent of the 1990-1992 base. This is down 21 percent from last year but 22 percent above two years ago. The All Crops Index, at 174 percent of the base, is down 26 percent from May 2008 while the All Livestock and Products Index, at 116 percent, is down 5 percent from last year. May indexes are calculated using preliminary mid-month prices.

The April Index of Prices Received for All Farm Products, recalculated with full month prices, was 159 percent of the base, down 25 percent from April 2008. The All Crops Index, at 172 percent, was down 30 percent from the previous year while the All Livestock and Products Index, at 119 percent, was unchanged from April 2008.



Prices Received by Farmers
North Dakota and United States, May 2009

Item	Unit	North Dakota			United States			Effective U.S. Parity Price May 2009
		Entire Month		Preliminary	Entire Month		Preliminary	
		May 2008	Apr 2009	May 2009	May 2008	Apr 2009	May 2009	
		Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Wheat, All	*Bu*	11.20	6.57	7.07	8.87	5.74	6.02	13.60
Durum	*Bu*	14.30	7.16	8.70	13.50	7.28	8.34	NA
Spring	*Bu*	10.80	6.49	6.75	10.70	6.48	6.78	NA
Winter	*Bu*	8.35	5.02	5.15	8.17	5.26	5.58	NA
Corn	*Bu*	4.88	3.55	3.65	5.27	3.85	4.08	8.37
Oats	*Bu*	3.27	1.91	1.80	3.63	2.37	2.16	5.53
Barley, All	*Bu*	5.25	4.92	4.11	4.52	4.76	5.23	9.15
Feed	*Bu*	[1]	2.76	2.80	4.99	2.67	2.75	NA
Malting	*Bu*	5.29	5.14	4.25	4.38	5.30	5.55	NA
Sunflower, All	*Cwt*	26.40	19.10	17.00	27.40	20.10	19.10	41.70
Oil	*Cwt*	27.00	17.10	NA	NA	NA	NA	NA
Non-oil	*Cwt*	24.80	32.90	NA	NA	NA	NA	NA
Baled Hay, All [2]	*Ton*	67.00	91.00	83.00	168.00	129.00	131.00	NA
Alfalfa [2]	*Ton*	73.00	95.00	91.00	180.00	133.00	138.00	NA
Other [2]	*Ton*	51.00	69.00	63.00	135.00	117.00	113.00	NA
Canola	*Cwt*	[1]	15.50	17.20	25.30	15.50	17.20	36.80
Flaxseed	*Bu*	16.90	7.91	7.05	16.90	7.90	7.05	22.20
Soybeans	*Bu*	12.10	9.56	10.50	12.10	9.79	10.80	20.40
Dry Edible Beans, All	*Cwt*	30.90	25.60	24.70	35.60	31.70	30.00	65.40
Navy	*Cwt*	34.90	22.00	NA	NA	NA	NA	NA
Pinto	*Cwt*	29.80	25.40	NA	NA	NA	NA	NA
Potatoes, All	*Cwt*	6.90	8.70	8.90	9.16	9.81	9.88	19.20
Fresh [3]	*Cwt*	8.85	11.20	NA	14.30	11.98	NA	NA
Processing	*Cwt*	6.30	7.45	NA	6.71	7.61	NA	NA
Beef Cattle	*Cwt*	79.70	84.20	76.20	91.30	83.50	82.80	239.00
Steers & Heifers	*Cwt*	99.00	96.00	92.00	96.10	88.40	87.20	NA
Cows	*Cwt*	54.00	50.50	52.50	54.10	48.00	49.20	NA
Calves	*Cwt*	107.00	109.00	110.00	120.00	110.00	112.00	342.00
Sheep	*Cwt*	23.00	28.50	NA	25.40	35.00	NA	104.00
Lambs	*Cwt*	110.00	102.00	NA	101.00	102.00	NA	270.00
Hogs	*Cwt*	54.00	40.60	NA	55.30	44.10	44.20	131.00

[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.

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AGRICULTURAL PRICES (Continued)

United States

The May All Farm Products Index is 131 percent of its 1990-92 base, up 2 percent from the April index but 14 percent below the May 2008 index. The All Crops Index is 153, up 1 percent from April but 12 percent below May 2008. The Food Grains Index, at 206, is 2 percent above the previous month but 27 percent below a year ago. The Feed Grains and Hay Index is 177, up 5 percent from last month but 22 percent below a year ago. The Oil Bearing Crops Index, at 193, is up 10 percent from April but 11 percent lower than May 2008. The Livestock and Products Index, at 112, is unchanged from last month but down 16 percent from May 2008.

Index Numbers of Farm Prices
North Dakota and United States, May 2009

Indexes and Ratios	North Dakota			United States		
	May 2008	Apr 2009	May 2009	May 2008	Apr 2009	May 2009
Prices Received	*(1990-92 = 100)*					
All Farm Products	199	159	157	152	129	131
Crops	234	172	174	173	151	153
Food Grains	349	208	221	283	201	206
Feed Grains & Hay	216	180	169	228	168	177
Oil Bearing Crops [1]	226	171	178	217	175	193
Potatoes & Dry Beans [2]	110	116	112	161	168	168
Livestock and Products	122	119	116	134	112	112
Meat Animals	114	112	108	123	110	109
Dairy Products	159	162	159	140	91	90
Other Livestock Products [3]	140	138	139	149	141	142
Prices Paid	NA	NA	NA	184	177	176
Ratio [4]	NA	NA	NA	83	73	74

[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.

MEAT ANIMALS – PRODUCTION & INCOME

North Dakota

Cattle and calves: Cash receipts from marketings of cattle and calves during 2008 decreased 9 percent from 2007 and 2 percent from 2006 to its lowest level since 2003. All cattle and calf marketings during 2008 were down 2 percent from 2007. The 2008 annual average price of cattle and calves, at $84.60 per 100 pounds live weight (cwt) was down from $91.40 per cwt in 2007 and the record high 2005 price of $102.00.

Sheep and Lambs: Cash receipts from marketings of sheep and lambs in 2008 decreased 3 percent from both 2007 and 2006. Marketings decreased 7 percent from the previous year. The average annual price of sheep and lambs per cwt for 2008 rose to $78.90 per cwt from $75.40 in 2007.

Hogs and Pigs: Cash receipts from marketings of hogs and pigs during 2008 were down 1 percent from the previous year. Marketings were 4 percent above 2007 while the 2008 annual average price per cwt decreased to $47.30 from $47.80 in 2007.

Meat Animals: Production & Income, North Dakota, 2003-2008

Year	Production	Marketings	Average Price Per 100 Lbs	Value of Production	Cash Receipts	Value of Home Consumption	Gross Income
	1,000 Pounds	*1,000 Pounds*	*Dollars*	*1,000 Dollars*	*1,000 Dollars*	*1,000 Dollars*	*1,000 Dollars*
				Cattle & Calves			
2003	745,605	870,000	79.40	588,039	690,905	6,165	697,070
2004	763,410	799,250	92.50	702,022	738,975	7,408	746,383
2005	748,313	782,250	102.00	761,799	799,083	8,311	807,394
2006	791,816	746,440	96.60	756,351	720,714	7,231	727,945
2007	659,971	848,390	91.40	599,566	775,680	5,708	781,388
2008	749,318	834,600	84.60	625,799	705,903	5,471	711,374
				Sheep & Lambs			
2003	7,352	10,666	71.20	6,015	7,590	95	7,685
2004	7,615	8,163	87.50	6,524	7,144	93	7,237
2005	7,421	8,988	87.10	6,581	7,829	101	7,930
2006	6,826	7,792	83.60	5,699	6,515	101	6,616
2007	6,858	8,602	75.40	5,409	6,487	111	6,598
2008	6,682	7,974	78.90	5,901	6,289	110	6,399
				Hogs & Pigs			
2003	62,985	63,414	39.70	28,059	28,666	425	29,091
2004	66,665	69,688	51.40	38,804	42,166	561	42,727
2005	65,065	70,647	51.30	41,532	47,039	551	47,590
2006	62,401	65,893	47.40	37,696	40,490	516	41,006
2007	51,345	57,812	47.80	35,825	39,505	510	40,015
2008	51,401	59,979	47.30	34,840	39,217	512	39,729

Hog Prices are Expected To Recover in June

Hogs: USDA revised second-quarter hog prices downward, to reflect price weakness in April and negative effects of H1N1 flu virus in May. June prices are expected to recover from May lows. First-quarter U.S. pork exports were 1.033 billion pounds, 6.6 percent below a year ago, but more than 30 percent above first-quarter 2007. First-quarter U.S. pork imports were 205 million pounds, 5.5 percent lower than last year, with imports from Mexico accounting for a significant share of the decline. Live swine imports were almost 40 percent lower in the first quarter than a year ago.

Poultry: Broiler production is expected to increase modestly in 2010, after an expected decrease of 4 percent in 2009. With economic conditions expected to improve and relatively stable feed costs forecast, broiler integrators will have some incentive to expand production. Broiler production is expected to turn positive in fourth-quarter 2009 and continue positive through 2010, although the growth will be relatively small. Turkey production in 2010 is expected to be higher, rebounding after sharp declines in 2009.

Dairy: Herd contraction and below-trend increases in output per cow combine to lower milk production in 2009. For next year, further reductions in herd size will overcome productivity increases to reduce milk production further. Lower exports of all products except whey, both this year and next—along with lower domestic commercial use compared with last year—will keep prices low. Next year, reduced supplies should allow for some price recovery.

Cattle/Beef: Drought concerns are decreasing due to recent rains in many areas. Cow slaughter has begun a seasonal decline, compounded by a wait-and-see attitude on the part of dairy producers with respect to the Cooperatives Working Together program announced last month. The likelihood of fewer cows in 2010 suggests potentially fewer calves and tighter fed cattle supplies in 2010-11 that could result in reduced beef production.

Concerns About H1N1 Influenza Push Second-Quarter Hog Prices Lower

USDA lowered its price forecast for second-quarter live equivalent 51-52 percent lean hogs to $44-$46 per cwt from $49-$51 per cwt last month. The lower forecast reflects generally weaker demand, amplified by the negative price effects that resulted from international H1N1 flu outbreaks in late April and early May. Consumer and foreign government reactions to the flu likely resulted in temporarily lower domestic and foreign demand for pork products. Domestic demand weakness likely reflected caution on the part of wholesale purchasers as they gauged consumer reaction to the flu. Export demand was likely affected by both foreign government actions to restrict imports and by the impact of disease concerns on the buying habits of foreign consumers.

Foreign and domestic consumer confidence with respect to pork products is expected to rebound as flu incidents recede. Prices of U.S. pork and hogs are expected to adjust upward as demand normalizes and seasonal product flows are restored. June hog prices are expected to be seasonally higher, reflecting lower supplies of slaughter-ready animals.

Strong First-Quarter Pork Exports

U.S. companies exported 370 million pounds of pork in March, bringing total first quarter U.S. exports to 1.03 billion pounds. While first-quarter exports lag the same period last year by more than 72 million pounds, first-quarter 2009 shipments were more than 30 percent ahead of the same period in 2007. The difference between the first quarter of 2009 and 2008 is largely attributable to China and Hong Kong. The presence of China and Hong Kong last year as buyers of U.S. pork cuts was likely more of a policy decision made in response to a random supply shock (i.e., reduced pork supplies as a result of blue ear disease) than the beginning of a consistent, growing source of demand for the U.S. pork industry. USDA expects China's pork production in 2009 to be almost 6 percent larger than last year, while total Chinese pork imports this year are forecast to be almost 17 percent below 2008.

Cow Slaughter Declining into Spring

Most areas of the country have received precipitation in recent weeks, easing concerns that dry conditions would extend into the summer grazing season. The far West and Southwest continue to be exceptions. Hay prices are declining, and concerns in some areas have shifted to whether fields will be dry soon enough to plant or harvest crops.

Economic effects from the Influenza A/H1N1 virus on demands for red meat and poultry are difficult to discern beyond the direct impacts of bans by some countries on importing U.S. pork. In some cases, the bans are partial in that they are specific to pork from selected States. Any bans could be short-lived due to the apparent mild effects of the flu on humans. Some analysts have argued that the flu outbreak would have a negative effect on beef/cattle demand and prices as unexported U.S. pork weighs negatively on the U.S. domestic red meat sector. Others argue that the flu outbreak could generate positive effects as increased demands for beef and poultry fill gaps in international demand left by international restrictions on U.S. pork exports. Although both effects may occur, in the short run, they are expected to offset one another so that net impacts on the beef sector will be minor. Beef-sector impacts will also be difficult to separate from factors unrelated to influenza that are affecting beef markets.

Dairy cow slaughter has declined recently. While at least part of the decline can be attributed to a well-established seasonal pattern, anecdotal evidence suggests milk producers are withholding dairy cows from slaughter in anticipation of the latest Cooperatives Working Together (CWT) herd buyout. Removal of the 102,000 dairy cows via the most recently announced CWT buyout could begin swelling slaughter numbers as early as this month. This activity will adversely affect cow prices, but will occur at a time when cow slaughter is normally at a seasonal low, so effects should be relatively minor.

Source: *Livestock, Dairy & Poultry Outlook*, USDA-ERS, May 19, 2009

FARM LABOR

Northern Plains
During the week of April 12-18, farm operators paid hired workers an average of $10.80 per hour in the Northern Plains region of Kansas, Nebraska, North Dakota and South Dakota. This compares with $11.00 per hour during April 6-12, 2008. Paid workers with fieldwork responsibilities averaged $10.78 per hour during the 2009 period and livestock workers averaged $10.08.

United States
Farm operators paid their hired workers an average wage of $10.84 per hour during the April 2009 reference week, up 27 cents from a year earlier. Field workers received an average of $9.99 per hour, up 34 cents from last April, while livestock workers earned $10.25 per hour compared with $10.24 a year earlier

Hired Workers: Wages Rates by Type of Worker
Northern Plains and United States[1]

Item	Northern Plains[2]		United States[3]	
	April 6-12, 2008	April 12-18, 2009	April 6-12, 2008	April 12-18, 2009
	Dollars per Hour	*Dollars per Hour*	*Dollars per Hour*	*Dollars per Hour*
All Farm Workers	11.00	10.80	10.57	10.84
Field	10.73	10.78	9.65	9.99
Livestock	10.20	10.08	10.24	10.25
Field and Livestock	10.40	10.35	9.84	10.07

1 Excludes agricultural service workers. 2 Northern Plains includes Kansas, Nebraska, North Dakota and South Dakota. 3 Excludes AK.