



North Dakota

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AGRICULTURAL PRICES

North Dakota

The Index of Prices Received for All Farm Products in November is 156 percent of the 1990-1992 base. This is down 20 percent from last year and 14

percent below two years ago. The All Crops Index, at 168 percent of the base, is down 23 percent from November 2008 and the All Livestock and Products Index, at 112 percent, is down 3 percent from last year. November indexes are calculated using preliminary mid-month prices.

United States

The November All Farm Products Index is 134 percent of its 1990-92 base, unchanged from the October index but 6 percent below the November 2008 index. The All Crops Index is 151, down 1 percent from October and 4 percent below November 2008. The Livestock and Products Index, at 114, is 4 percent above last month but down 7 percent from November 2008.



**Prices Received by Farmers
North Dakota and United States, November 2009**

Item	Unit	North Dakota			United States			Effective U.S. Parity Price November 2009
		Entire Month		Preliminary	Entire Month		Preliminary	
		November 2008	October 2009	November 2009	November 2008	October 2009	November 2009	
		<i>Dollars</i>						
Wheat, All	Bu	7.03	4.73	4.78	6.29	4.47	4.79	13.50
Durum	Bu	8.32	4.86	4.30	8.93	4.97	4.47	NA
Spring	Bu	6.95	4.82	5.00	7.10	4.99	5.22	NA
Winter	Bu	5.46	3.94	3.75	5.65	4.26	4.50	NA
Corn	Bu	4.34	3.03	3.15	4.26	3.61	3.64	8.36
Oats	Bu	2.20	2.13	1	3.00	2.03	2.00	5.53
Barley, All	Bu	5.26	3.09	2.90	5.44	4.35	4.10	9.13
Feed	Bu	3.75	1.94	2.15	3.43	2.33	2.35	NA
Malting	Bu	5.38	3.77	3.30	5.63	4.94	4.64	NA
Sunflower, All	Cwt	23.60	15.90	15.00	23.10	16.20	14.90	41.70
Oil	Cwt	21.90	13.80	NA	NA	NA	NA	NA
Non-oil	Cwt	35.00	22.60	NA	NA	NA	NA	NA
Baled Hay, All ²	Ton	79.00	62.00	63.00	149.00	106.00	107.00	NA
Alfalfa ²	Ton	85.00	67.00	68.00	165.00	109.00	110.00	NA
Other ²	Ton	59.00	48.00	49.00	113.00	98.50	99.10	NA
Canola	Cwt	16.80	15.30	15.20	16.80	15.30	15.20	36.80
Flaxseed	Bu	12.60	6.78	8.35	12.60	6.78	8.35	22.20
Soybeans	Bu	9.65	9.40	9.30	9.39	9.44	9.48	20.30
Dry Edible Beans, All	Cwt	30.80	26.50	28.50	34.60	29.90	31.40	65.30
Navy	Cwt	32.60	1	NA	NA	NA	NA	NA
Pinto	Cwt	29.80	26.50	NA	NA	NA	NA	NA
Potatoes, All	Cwt	9.50	9.50	9.60	8.77	7.03	7.20	19.20
Fresh ³	Cwt	15.60	11.90	NA	14.97	7.27	NA	NA
Processing	Cwt	6.50	8.60	NA	6.01	6.99	NA	NA
Beef Cattle	Cwt	80.80	77.60	77.60	84.30	79.20	79.80	239.00
Steers & Heifers	Cwt	91.50	89.00	90.00	90.90	84.40	85.60	NA
Cows	Cwt	45.00	45.00	44.00	43.10	43.60	42.00	NA
Calves	Cwt	99.00	98.00	100.00	105.00	104.00	105.00	342.00
Sheep	Cwt	21.00	29.00	NA	27.30	30.00	NA	104.00
Lambs	Cwt	100.00	96.00	NA	100.00	97.00	NA	269.00
Hogs	Cwt	39.40	37.40	NA	40.70	37.80	40.00	130.00

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

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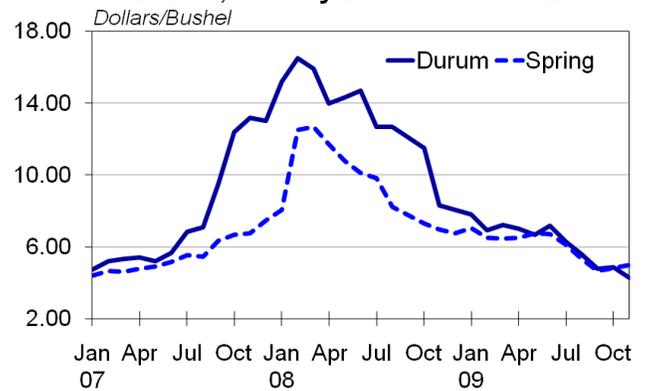
AGRICULTURAL PRICES (Continued)

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

Indexes and Ratios	North Dakota		United States			
	Nov 2008	Oct 2009	Nov 2009	Nov 2008	Oct 2009	Nov 2009
Prices Received	(1990-92 = 100)					
All Farm Products	194	158	156	142	134	134
Crops	217	170	168	158	152	151
Food Grains	248	171	168	227	162	171
Feed Grains & Hay	220	151	151	187	155	157
Oil Bearing Crops ¹	209	171	172	173	162	165
Potatoes & Dry Beans ²	178	180	177	156	127	131
Livestock and Products	116	106	112	123	110	114
Meat Animals	112	102	109	109	103	105
Dairy Products	149	148	149	131	109	115
Other Livestock Products ³	138	136	136	149	127	137
Prices Paid	NA	NA	NA	182	176	176
Ratio ⁴	NA	NA	NA	78	76	76

¹ Includes non-oil sunflower. ² North Dakota includes lentils, dry peas and 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 2007-November 2009



MARKETING YEAR AVERAGE PRICES

North Dakota

The 2008 Marketing Year Average (MYA) price for corn, at \$3.74 per bushel, was down 32 cents from 2007, and the soybean price, at \$9.71 per bushel, was up 8 cents per bushel. The oil sunflower price, at \$19.90 per hundredweight (cwt), was a \$1.60 decrease from 2007 while the non-oil sunflower price, at \$33.00 per cwt, was a \$9.80 increase from 2007. The MYA price for all dry edible beans, at \$29.70 per cwt, was a \$4.00 increase from the previous year. The dry edible pea price, at \$13.00 per cwt, remained unchanged from the previous year. The MYA fresh potato price was \$14.90 per cwt, up from the previous year's \$8.70 per cwt. Potatoes for processing price was \$6.80 per cwt, up from the previous year's \$6.40 per cwt.

Late Season Crops: Marketing Year Average Prices North Dakota and United States, 2007-2008

Item	Unit	North Dakota		United States	
		2007	2008	2007	2008
		<i>Dollars per Unit</i>		<i>Dollars per Unit</i>	
Corn	Bu	4.06	3.74	4.20	4.06
Soybeans	Bu	9.63	9.71	10.10	9.97
Flaxseed	Bu	13.00	12.70	13.00	12.70
Canola	Cwt	18.30	18.70	18.30	18.70
Sunflower, All	Cwt	21.80	22.00	21.70	21.80
Oil	Cwt	21.50	19.90	21.40	19.50
Non Oil	Cwt	23.20	33.00	22.90	31.30
Dry Edible Beans, All	Cwt	25.70	29.70	28.80	34.60
Navy	Cwt	26.40	29.30	NA	NA
Pinto	Cwt	25.40	29.40	NA	NA
Dry Edible Peas	Cwt	13.00	13.00	13.10	13.40
Lentils	Cwt	22.80	33.10	26.00	33.80
Potatoes, All	Cwt	6.90	8.30	7.51	8.42
Fresh	Cwt	8.70	14.90	10.84	14.44
Processing	Cwt	6.40	6.80	6.01	6.49

NA=Not Available.

2009 GROWING SEASON

North Dakota

During the last week of March, severe winter weather and flooding struck many areas of the state. Reporters noted that calving and lambing, in addition to livestock health, was affected. Early April saw much of the state still covered in snow while mid April was still too wet to get machinery into the fields. Spring tillage and fieldwork for the 2009 crop year began on May 2, 17 days later than in 2008 and 16 days later than the five-year (2004-2008) average. The expected starting dates ranged from April 26 in the southwest district to May 8 in the north central district.

Planting was delayed by snow, rain, and excess moisture through most of April and early May. Small grain planting began late in April, behind the previous year and the average and was behind the average throughout the planting season which did not wind down until the second week of June. All other crop plantings started behind the average and the previous year. Corn planting was virtually complete by June 7, while soybean planting was virtually complete by June 14.

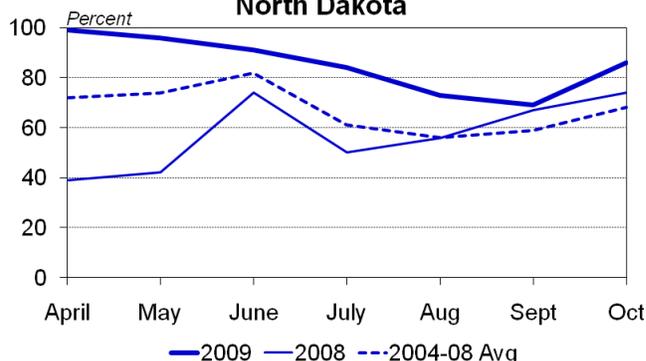
Crop condition ratings were rated mainly good to excellent throughout the growing season. On May 31, the spring wheat crop was rated 75 percent good to excellent and by June 28, it was rated 85 percent good to excellent. June and July saw mostly below normal temperatures which, combined with the late planting, slowed crop development further. As of July 26, all crop development was behind both the previous year and the average, except for potatoes blooming.

Small grain harvest began during the week ending August 9, 2 weeks behind the average. Harvest was delayed by waiting for the grain to fully ripen. Barley and oat harvest did not near completion until September 27, two weeks behind the previous year's completion for these crops. The spring wheat harvest neared completion by October 4, with durum wheat virtually complete the following week. All other crop harvest activity was delayed behind the previous year and the average. Crop harvest was delayed in September primarily due to delays in crop maturity and cloud cover slowing its advancement. October harvest delays were from these same delays and consistent precipitation. For five weeks in a row, from the week ending October 4 to the week ending November 1, there were 3.5 days per week or fewer suitable for fieldwork.

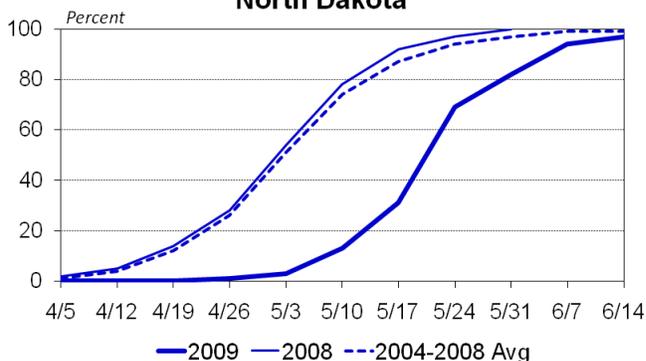
Corn harvested for grain on November 1 was 2 percent harvested, compared with 49 percent on average. Soybean harvest on November 1 reached 36 percent complete, compared with 92 percent on average. Sunflower harvest was 10 percent complete, compared with 57 percent on average. The harvest of dry edible beans was virtually complete by November 15, 2 weeks later than the previous year. The soybean and sunflower harvest was virtually complete by November 29, while corn was only 40 percent complete.

The 2009 crop year saw considerable moisture in the spring from snowmelt and rain. The north central and northeast districts saw above normal precipitation from April 12 through May 29, while the remaining districts were below normal. Across the state, topsoil and subsoil moisture supplies were rated mostly adequate to surplus throughout the season. Topsoil moisture supplies were rated higher than average throughout the season. Topsoil moisture supplies were rated 98 percent adequate to surplus on April 5, 99 percent on May 3, 93 percent on June 7, 87 percent July 5, 70 percent August 2, and 64 percent September 6.

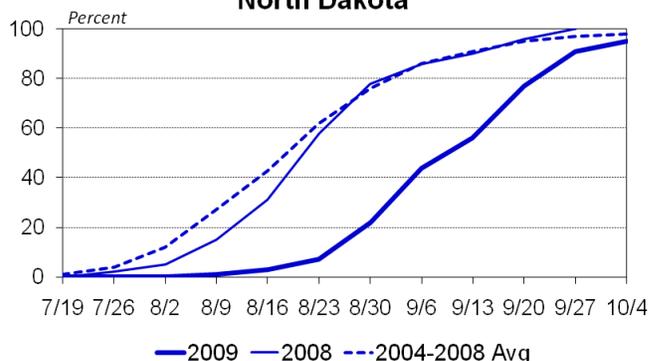
**Topsoil Moisture Supplies
Percent Rated Adequate to Surplus
North Dakota**



**Spring Wheat: Planted
North Dakota**



**Spring Wheat: Harvested
North Dakota**



Debt Landscape for U.S. Farms Has Shifted

Disruptions in U.S. credit markets have heightened concerns about the level of farm debt and the financial structure of U.S. farm businesses. These credit issues, combined with prospects for tightened cash flows and declining land values, have resulted in concerns about farmers' ability to handle debt obligations. Growth in debt levels may be perceived as drawing down agriculture's credit reserves and hastening debt repayment problems should farm financial conditions worsen. But if a firm has favorable long-term earnings prospects, debt financing may also be viewed as a way to invest in and grow a business.

Debt, however, is only part of the story. To assess potential problems that farmers might confront from the use of debt financing, debt has to be examined in terms of its level, the leverage position of farms, and in light of the debt repayment capacity available to meet debt service and other payment obligations.

Debt Growth Has Been Balanced by Increasing Assets

U.S. farm sector debt was an estimated \$240 billion at the end of 2008. Debt outstanding has risen steadily since the 1980s. Sectorwide farm debt is forecast to be \$234 billion by the end of 2009, ending the string of record-high debt levels in U.S. agriculture begun in 2005 when debt levels exceeded the previous record, set in 1984, during the farm financial crisis.

Despite these high debt levels, debt relative to assets and income remains relatively low. Asset values in the U.S. farm sector have steadily increased since the farm crisis of the 1980s, and increased even more rapidly after farmland values jumped in 2004. By 2007, farm sector asset values, at \$2.2 trillion, were more than three times their 1980s nominal level. Preliminary estimates for 2008 show assets falling to \$1.77 trillion, while the forecast for 2009 drops even

further to \$1.7 trillion. Even with the reduction in asset value estimated for 2009, asset values still stand at 2.7 times their mid-1980s farm crisis low. Lenders' share of farm assets (the sector's debt to asset ratio) fell from 22 percent in the 1980s to less than 10 percent in 2007. Despite falling asset values since then, this figure is projected to remain about 12 percent in 2009.

Debt Use Is Concentrated Among Fewer Operators

According to USDA's Agricultural Resource Management Survey (ARMS), a joint effort by ERS and the National Agricultural Statistics Service, the distribution of farm debt reveals several trends. First, the share of farm businesses that end the year with unpaid debt has declined. While many farm businesses use credit cards and lines of credit to finance input purchases during the year, most pay off their loans during the current production cycle, normally by year's end. The debt discussed in the remainder of this article comprises loans with balances carried on the farm business balance sheet from one year to the next.

In 1986, nearly 60 percent of U.S. farm operators reported outstanding debt at the end of the year; by 2007, this figure had dropped to 31 percent. Larger farms, with a greater asset base and higher revenues, are now much more likely to use debt than are smaller farms. The majority of smaller farms surveyed indicated that they have sufficient funds to finance their operations.

At the end of 2007, 50 percent of farm business debt was held by 15 percent of farmers, compared with 30 percent held by farmers at the end of 1986. Farm debt is also concentrated geographically, with the Corn Belt, the Northern Plains, and the Southeast having relatively high levels of debt due to their larger share of grain, hog, poultry, and dairy operations.

Source: *Amber Waves*, USDA-ERS, December 2009

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