



IN THIS ISSUE

Hog Inventory

Agricultural Prices

Livestock Slaughter

Cattle on Feed

Wine: World Markets & Trade

HOG INVENTORY

North Dakota The December 1, 2009 all hog and pig inventory, at 160,000 head, increased 9,000 from December 1, 2008 as a result of an increase in market hog inventory. However, compared to two years ago, inventory is down 22,000 head, mostly market hogs. Over the past 10 years, the largest December 1 inventory was 190,000 head in 1999 while the lowest was 144,000 head in 2002.

The breeding herd totaled 38,000 head, down 1,000 head from December 1, 2008. The 2009 pig crop totaled 763,000, up 97,000 from last year and the highest pig crop since 1959's crop of 824,000. Average pigs per litter, at 10.24, again set a new record high since recording began in 1924.

Market hogs on December 1 totaled 122,000, up 10,000 from December 1, of 2008. The previous year's market hogs were the lowest since recording began in 1963. Market inventory by weight group with respective changes from last year are as follows: 61,000 head weighing under 50 pounds, up 39 percent from the previous year; 24,000 head in the 50-119 pound range, down 17 percent; 20,000 head in the 120-179 range, down 13 percent; 17,000 head at or over 180 pounds, up 6 percent.

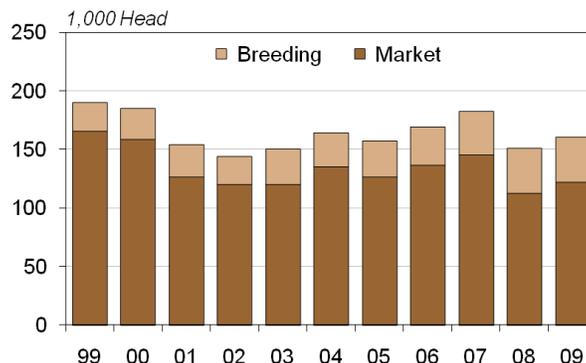
United States Inventory of all hogs and pigs on December 1, 2009 was 65.8 million head. This was down 2 percent from December 1, 2008 and down 2 percent from September 1, 2009.

Breeding inventory, at 5.85 million head, was down 3 percent from last year and down slightly from the previous quarter. Market hog inventory, at 60.0 million head, was down 2 percent from last year and down 2 percent from last quarter.

The September-November 2009 pig crop, at 28.8 million head, was up slightly from 2008 but down 2 percent from 2007. Sows farrowing during this period totaled 2.97 million head, down 2 percent from 2008 and down 6 percent from 2007. The sows farrowed during this quarter represented 51 percent of the breeding herd. The average pigs saved per litter was 9.70 for the September-November 2009 period, compared to 9.50 last year.

U.S. hog producers intend to have 2.95 million sows farrow during the December 2009-February 2010 quarter, down 2 percent from the actual farrowings during the same period in 2009 and down 4 percent from 2008. Intended farrowings for March-May 2010, at 2.94 million sows, are down 3 percent from 2009 and down 4 percent from 2008.

Hogs and Pigs: Inventory North Dakota, December 1, 1999-2009



Hogs and Pigs: Inventory, Sows Farrowing, Pig Crop and Pigs Per Litter North Dakota and United States, December 1, 2008-2009

Item	North Dakota		United States	
	2008	2009	2008	2009
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>
All Hogs and Pigs	151	160	67,148	65,807
Breeding	39	38	6,602	5,850
Market	112	122	61,087	59,957
Under 50 Pounds	44	61	19,428	19,085
50-119 Pounds	29	24	17,396	17,062
120-179 Pounds	23	20	12,731	12,529
180 Pounds and Over	16	17	11,533	11,282
Sows Farrowing				
Dec-Nov ¹	67.5	74.5	12,225	11,969
Pig Crop				
Dec-Nov ¹	666	763	115,030	115,174
Pigs Per Litter	<i>Head</i>	<i>Head</i>	<i>Head</i>	<i>Head</i>
Dec-Nov ¹	9.87	10.24	9.41	9.62

¹ December preceding year.

AGRICULTURAL PRICES

North Dakota

The Index of Prices Received for All Farm Products in December is 160 percent of the 1990-1992 base. This is down 14 percent from last year and 18 percent below two years ago. The All Crops Index, at 170 percent of the base, is down 17 percent from December 2008 while the All Livestock and Products Index, at 115 percent, is up 4 percent from last year. December indexes are calculated using preliminary mid-month prices.

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

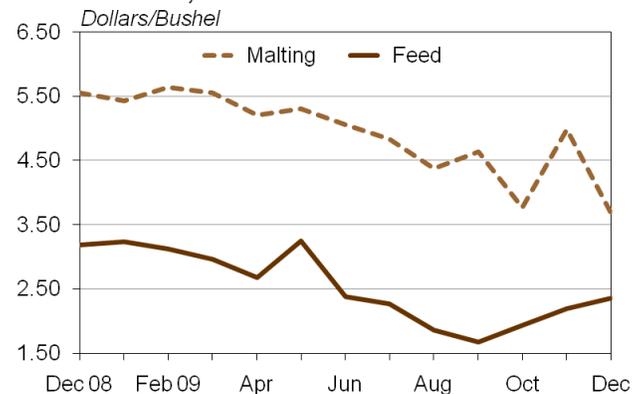
Indexes and Ratios	North Dakota			United States		
	Dec 2008	Nov 2009	Dec 2009	Dec 2008	Nov 2009	Dec 2009
Prices Received	(1990-92 = 100)					
All Farm Products	187	161	160	135	136	136
Crops	206	174	170	150	154	152
Food Grains	235	173	171	212	170	169
Feed Grains & Hay	227	179	167	179	157	155
Oil Bearing Crops ¹	187	169	173	172	165	175
Potatoes & Dry Beans ²	162	178	168	163	129	131
Livestock and Products	111	114	115	119	115	118
Meat Animals	105	110	110	104	104	104
Dairy Products	155	149	155	119	117	125
Other Livestock Products ³	139	136	137	148	137	138
Prices Paid Ratio⁴	NA	NA	NA	76	77	77

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.

United States

The December All Farm Products Index is 136 percent of its 1990-92 base, unchanged from the November index but 1 percent above the December 2008 index. The All Crops Index is 152, down 1 percent from November but 1 percent above December 2008. The Livestock and Products Index, at 118, is 3 percent above last month but down 1 percent from December 2008.

**Barley Prices Received by Farmers
North Dakota, December 2008-December 2009**



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

Item	Unit	North Dakota			United States			Effective U.S. Parity Price December 2009
		Entire Month		Preliminary	Entire Month		Preliminary	
		December 2008	November 2009	December 2009	December 2008	November 2009	December 2009	
Wheat, All	Bu	6.82	4.92	4.96	5.95	4.79	4.81	13.60
Durum	Bu	8.08	4.33	4.40	8.40	4.62	4.87	NA
Spring	Bu	6.76	5.04	5.10	6.89	5.19	5.17	NA
Winter	Bu	5.23	4.23	3.90	5.40	4.60	4.49	NA
Corn	Bu	4.23	3.47	3.35	4.11	3.65	3.59	8.43
Oats	Bu	2.21	1.99	2.20	3.12	2.02	2.07	5.57
Barley, All	Bu	5.36	4.42	3.43	5.49	4.53	4.15	9.20
Feed	Bu	3.18	2.19	2.35	3.00	2.51	2.52	NA
Malting	Bu	5.55	4.98	3.70	5.91	4.95	4.42	NA
Sunflower, All	Cwt	23.80	13.80	14.40	22.80	14.10	14.60	42.00
Oil	Cwt	21.80	12.90	NA	NA	NA	NA	NA
Non-oil	Cwt	34.50	19.80	NA	NA	NA	NA	NA
Baled Hay, All ¹	Ton	77.00	63.00	62.00	138.00	107.00	107.00	NA
Alfalfa ¹	Ton	82.00	68.00	68.00	152.00	110.00	110.00	NA
Other ¹	Ton	59.00	49.00	46.00	109.00	99.10	98.90	NA
Canola	Cwt	18.00	16.00	16.10	18.00	16.00	16.10	37.10
Flaxseed	Bu	11.50	8.15	8.15	11.50	8.15	8.15	22.30
Soybeans	Bu	8.68	9.26	9.45	9.24	9.53	9.96	20.50
Dry Edible Beans, All	Cwt	28.80	28.50	28.00	34.20	30.10	31.80	65.80
Navy	Cwt	26.90	NA ²	NA	NA	NA	NA	NA
Pinto	Cwt	28.80	28.90	NA	NA	NA	NA	NA
Potatoes, All	Cwt	8.60	9.80	9.25	9.30	7.09	7.16	19.30
Fresh ³	Cwt	15.30	9.70	NA	14.19	6.52	NA	NA
Processing	Cwt	5.90	9.65	NA	6.31	7.41	NA	NA
Beef Cattle	Cwt	75.10	78.60	78.50	79.70	79.60	78.20	241.00
Steers & Heifers	Cwt	88.00	92.50	93.00	85.70	85.40	83.50	NA
Cows	Cwt	42.00	43.00	43.00	40.20	41.70	42.90	NA
Calves	Cwt	96.00	103.00	104.00	98.90	105.00	105.00	345.00
Sheep	Cwt	25.00	31.00	NA	32.90	36.80	NA	105.00
Lambs	Cwt	100.00	97.00	NA	101.00	98.00	NA	271.00
Hogs	Cwt	40.50	38.30	NA	41.90	40.20	43.70	131.00

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

LIVESTOCK SLAUGHTER

United States

Commercial red meat production for the United States totaled 3.96 billion pounds in November, up 2 percent from the 3.87 billion pounds produced in November 2008.

Beef production, at 2.02 billion pounds, was 3 percent above the previous year. Cattle slaughter totaled 2.60 million head, up 3 percent from November 2008. The average live weight was down 4 pounds from the previous year, at 1,298 pounds.

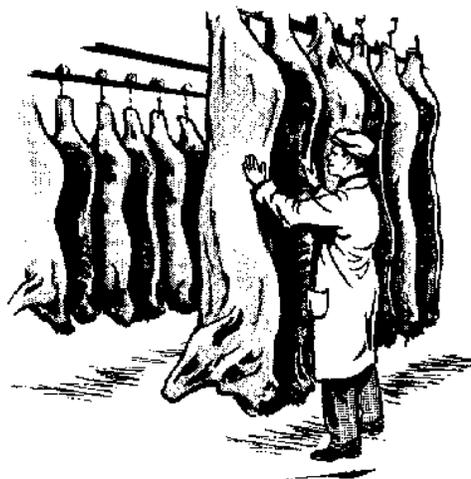
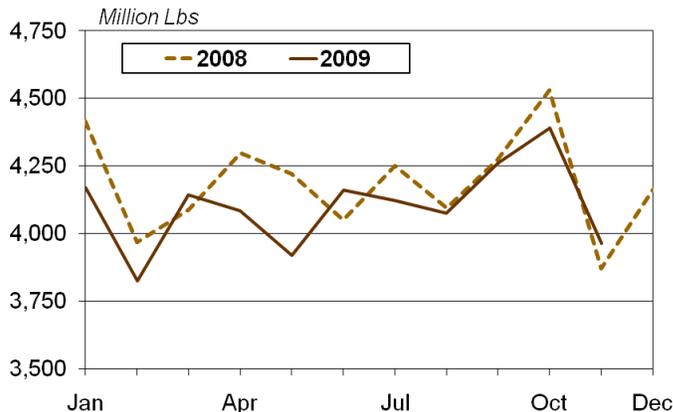
Veal production totaled 11.8 million pounds, 5 percent above November a year ago. Calf slaughter totaled 81,200 head, up slightly from November 2008. The average live weight was up 6 pounds from last year, at 246 pounds.

Pork production totaled 1.92 billion pounds, up 2 percent from the previous year. Hog kill totaled 9.46 million head, up 1 percent from November 2008. The average live weight was up 1 pound from the previous year, at 272 pounds.

Lamb and mutton production, at 14.4 million pounds, was up 12 percent from November 2008. Sheep slaughter totaled 219,200 head, 14 percent above last year. The average live weight was 131 pounds, down 3 pounds from November a year ago.

January to November 2009 commercial red meat production was 45.1 billion pounds, down 2 percent from 2008. Accumulated beef production was down 3 percent from last year, veal was down 4 percent, pork was down 1 percent from last year, and lamb and mutton production was down 2 percent.

**Commercial Red Meat Production
United States, 2008-2009**



CATTLE ON FEED

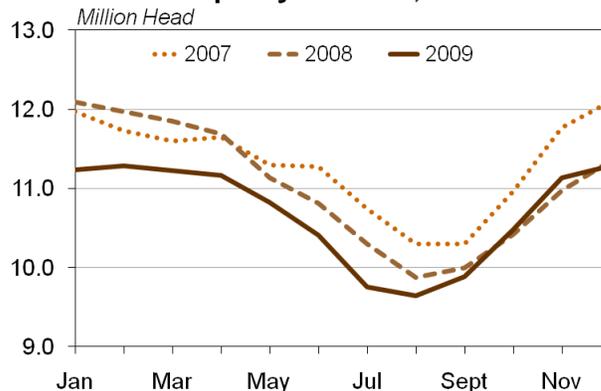
United States

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, 2009. The inventory was 1 percent below December 1, 2008.

Placements in feedlots during November totaled 1.85 million, 8 percent below 2008. For the month of November, placements were the second lowest since the series began in 1996. Net placements were 1.78 million head. During November, placements of cattle and calves weighing less than 600 pounds were 510,000, 600-699 pounds were 565,000, 700-799 pounds were 395,000, and 800 pounds and greater were 375,000.

Marketings of fed cattle during November totaled 1.63 million, 4 percent above 2008. For the month of November, fed cattle marketings were the third lowest since the series began in 1996. Other disappearance totaled 66,000 during November, 1 percent below 2008.

**United States Cattle on Feed
1000+ Capacity Feedlots, 2007-2009**



WORLD WINE PRODUCTION AND TRADE EXPECTED TO CONTRACT SLIGHTLY IN 2009

WORLD PRODUCTION FORECAST TO SHRINK SLIGHTLY

World wine production is expected to continue trending downward to 250 million hectoliters (HL), down about 5 percent in 2009 resulting mainly from European supply reductions, alleviating concerns about an oversupply.

- The EU is the world's dominant producer. However, production is expected to dip to 151 million HL as a result of waning consumption and agricultural policy reform aimed at eliminating its oversupply and removing inefficient vineyards. The final implementation of the new EU wine reform is expected in August 2009.
- The United States is the second largest producer. As a result of a smaller grape crush, 2008 production is estimated down 5 percent to 24.6 million HL in 2007, but forecast to rebound to 25.3 million HL in 2009.
- Argentine production is forecast to ease marginally to 14 million HL due to a smaller grape crop.
- Australian production is forecast down almost 10 percent to 12 million HL due to drought, low prices, and high stock levels.

MAJOR EXPORTERS

World wine exports are forecast at 45 million HL in 2009, down 3 percent from the previous year due to lower demand in select markets.

- The EU is the dominant exporter, accounting for about half of the world's trade. EU exports are forecast to drop almost 10 percent to 17 million HL due to expected lower demand from Russia and a few other top markets.

- Australia is the second largest exporter, and makes up 15 percent of the world's exports, despite accounting for only 5 percent of global production. Australian exports are forecast to remain flat at 7 million HL due to increased competition, lower demand, and the strengthening Australian dollar.
- Chilean exports are anticipated to dip 2 percent to 6 million HL. Lower demand from the EU, its main market, will be offset by shifting exports to the United States, its second largest market. The U.S.-Chile Free Trade Agreement (FTA) stimulated wine exports, with shipments to the United States, up 10 percent in 2008. The Chile-Japan FTA resulted in significantly higher Chilean exports to Japan at the expense of U.S. sales.
- The United States is the fourth largest exporter. Exports are forecast at 4.5 million HL, up 2 percent as a result of continued demand in Canada and reduced competition from the EU and Australia, despite the stronger U.S. dollar. Rising bulk exports, versus bottled, are less expensive to transport and give the United States a competitive cost advantage.
- South Africa is the fifth largest exporter, steadily growing over the last several years. Exports are forecast to remain stable at 4 million HL.

MAJOR IMPORTERS

- EU imports are expected to be flat in 2009. Of these imports U.S. wine will likely remain stable and increasingly represent shipments of bulk wine.
- U.S. imports are forecast to remain unchanged due to flat demand.
- Japanese imports are anticipated to only slip slightly as consumers switch to lower priced wines; the United States and Chile compete directly in this market.

Source: *Wine: World Markets & Trade*, USDA-FAS, April 2009

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