



IN THIS ISSUE

Agricultural Prices

Farm Labor

America's Organic Farmers Face Issues & Opportunities

Ag Fertilizer & Chemical Usage

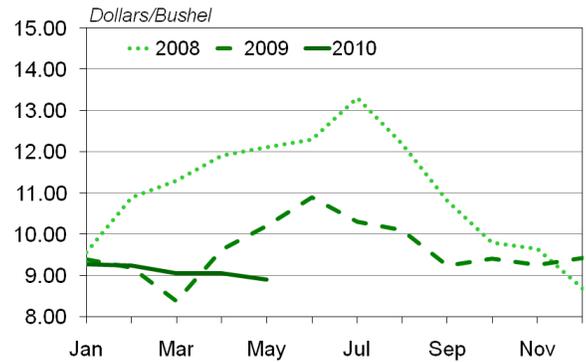
AGRICULTURAL PRICES

North Dakota The Index of Prices Received for All Farm Products in May is 142 percent of the 1990-1992 base. This is down 10 percent from last year and 29 percent below two years ago.

The All Crops Index, at 144 percent of the base, is down 19 percent from May 2009 while the All Livestock and Products Index, at 135 percent, is up 22 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 144 percent of the base, down 11 percent from April 2009. The All Crops Index, at 147 percent, was down 17 percent from the previous year while the All Livestock and Products Index, at 131 percent, was up 15 percent from April 2009.

Soybeans: Prices Received North Dakota, 2008-2010



Prices Received by Farmers North Dakota and United States, May 2010

Item	Unit	North Dakota			United States			Effective U.S. Parity Price May 2010
		Entire Month		Preliminary	Entire Month		Preliminary	
		May 2009	April 2010	May 2010	May 2009	April 2010	May 2010	
Wheat, All	Bu	6.70	4.58	4.71	5.84	4.42	4.39	14.60
Durum	Bu	6.69	4.21	4.30	7.05	4.23	4.27	NA
Spring	Bu	6.77	4.66	4.80	6.76	4.89	5.04	NA
Winter	Bu	5.61	3.72	3.45	5.52	4.19	4.10	NA
Corn	Bu	3.66	3.06	3.05	3.96	3.41	3.41	9.08
Oats	Bu	2.09	2.22	1	2.64	2.25	2.04	5.95
Barley, All	Bu	4.76	3.27	2.93	4.59	4.11	3.93	10.20
Feed	Bu	3.25	2.14	2.10	2.99	2.40	2.42	NA
Malting	Bu	5.31	3.80	3.20	5.17	4.63	4.29	NA
Sunflower, All	Cwt	20.80	17.40	16.60	21.50	16.00	15.20	45.10
Oil	Cwt	17.00	14.40	NA	NA	NA	NA	NA
Non-oil	Cwt	34.10	22.50	NA	NA	NA	NA	NA
Baled Hay, All ²	Ton	84.00	62.00	61.00	130.00	109.00	116.00	NA
Alfalfa ²	Ton	91.00	65.00	66.00	137.00	113.00	121.00	NA
Other ²	Ton	63.00	46.00	46.00	112.00	99.30	99.70	NA
Canola	Cwt	17.20	16.90	16.20	17.20	16.90	16.20	39.80
Flaxseed	Bu	8.96	8.52	8.30	8.96	8.52	8.30	23.70
Soybeans	Bu	10.20	9.05	8.90	10.70	9.47	9.28	22.40
Dry Edible Beans, All	Cwt	25.00	26.80	25.60	27.60	30.80	30.00	70.30
Navy	Cwt	22.20	29.00	NA	NA	NA	NA	NA
Pinto	Cwt	25.20	24.30	NA	NA	NA	NA	NA
Potatoes, All	Cwt	8.65	10.30	9.90	9.62	8.42	7.95	20.30
Fresh ³	Cwt	10.00	12.00	NA	12.70	7.25	NA	NA
Processing	Cwt	8.20	10.40	NA	7.82	9.06	NA	NA
Beef Cattle	Cwt	76.40	99.50	98.40	83.20	95.70	96.50	249.00
Steers & Heifers	Cwt	92.00	108.00	104.00	87.70	101.00	101.00	NA
Cows	Cwt	53.00	61.00	61.00	48.80	57.50	59.50	NA
Calves	Cwt	108.00	126.00	128.00	111.00	122.00	123.00	351.00
Sheep	Cwt	28.00	39.00	NA	31.70	48.70	NA	106.00
Lambs	Cwt	107.00	122.00	NA	102.00	119.00	NA	281.00
Hogs	Cwt	44.30	59.10	NA	44.60	56.50	62.30	135.00

NA=Not applicable. 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.

AGRICULTURAL PRICES (Continued)

United States

The May All Farm Products Index is 141 percent of its 1990-1992 base, up 2 percent from the April index and 8 percent above the May 2009 index. The All Crops Index is 150, up 1 percent from April but unchanged from May 2009. The Food Grains Index, at 160, is down 2 percent from the previous month and 20 percent below a year ago. The Feed Grains & Hay Index is 149, up 1 percent from last month but 14 percent below a year ago. The Oilseed Index, at 165, is down 2 percent from April and 14 percent lower than May 2009. The Livestock and Products Index, at 132, is 3 percent above last month and up 17 percent from May 2009.



Index Numbers of Farm Prices North Dakota and United States, May 2010

Indexes and Ratios	North Dakota			United States		
	May 2009	Apr 2010	May 2010	May 2009	Apr 2010	May 2010
Prices Received	(1990-92 = 100)					
All Farm Products	158	144	142	130	138	141
Crops	178	147	144	150	149	150
Food Grains	209	145	147	199	163	160
Feed Grains & Hay	181	137	132	173	148	149
Oil Bearing Crops ¹	182	165	159	191	169	165
Potatoes & Dry Beans ²	130	139	128	163	147	139
Livestock and Products	111	131	135	113	128	132
Meat Animals	109	134	139	110	128	132
Dairy Products	112	114	112	89	112	115
Other Livestock Products ³	127	127	127	142	144	147
Prices Paid	NA	NA	NA	180	183	183
Ratio ⁴	NA	NA	NA	72	75	77

NA=Not applicable. 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.

FARM LABOR

Northern Plains

During the week of April 11-17, farm operators paid hired workers an average of \$11.83 per hour in the Northern Plains region of Kansas, Nebraska, North Dakota and South Dakota. This compares with \$10.80 per hour during April 12-18, 2009. Paid workers with fieldwork responsibilities averaged \$11.84 per hour during the 2010 period and livestock workers averaged \$10.92.

United States

Farm operators paid their hired workers an average wage of \$10.83 per hour during the April 2010 reference week, down 1 cent from a year earlier. Field workers received an average of \$10.04 per hour, up 5 cents from last April, while livestock workers earned \$10.31 per hour compared with \$10.25 a year earlier.



Hired Workers: Wages Rates by Type of Worker Northern Plains and United States¹

Item	Northern Plains ²		United States ³	
	April 12-18, 2009	April 11-17, 2010	April 12-18, 2009	April 11-17, 2010
	<i>Dollars per Hour</i>	<i>Dollars per Hour</i>	<i>Dollars per Hour</i>	<i>Dollars per Hour</i>
All Farm Workers	10.80	11.83	10.84	10.83
Field	10.78	11.84	9.99	10.04
Livestock	10.08	10.92	10.25	10.31
Field and Livestock	10.35	11.40	10.07	10.13

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

AMERICA'S ORGANIC FARMERS FACE ISSUES & OPPORTUNITIES

Consumer demand for organic food rose quickly over the past decade, outpacing domestic supply. Initially, the resulting supply shortages hampered growth in the organic food sector. Still, investment in the sector expanded as more farmers developed experience working with organic production systems, Federal regulations, and organic markets.

USDA's national regulatory program explicitly defines organic agriculture as an ecological production system, established "to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity." As such, organic crop producers use practices aimed at maintaining or improving the physical, chemical, and biological condition of soil, minimizing soil erosion, and accommodating an animal's natural nutritional and behavioral requirements. These requirements not only increase organic farm production costs, but impose additional costs on farm operators who are transitioning from conventional to certified organic production.

In 2008, U.S. producers dedicated approximately 4.6 million acres of cropland, rangeland, and pasture to certified organic production, more than double the 1.8 million certified acres in 2000, according to ERS estimates. Certified organic cropland increased 41 percent between 2000 and 2005 and was up 51 percent between 2005 and 2008, reaching over 2.2 million acres. The organic livestock sector grew even faster during this period, with the largest gains in organic dairy and egg production. Certified organic milk cows increased steadily from approximately 87,000 animals in 2000 to over 200,000 in 2008, and organic layer hens grew from 2.4 million to 348 million. Nonetheless, U.S. organic crop acreage accounted for less than 1 percent of total crop acreage in 2008, much lower than that in many other countries, including Switzerland (11 percent in 2007), Italy (9 percent), Uruguay (over 6 percent), UK (over 4 percent) and Mexico (nearly 3 percent).

The relatively low level of organic farming in the U.S. may be attributed to several factors. When demand for organically produced food began emerging in the 1970s, few resources existed to help farmers with production and marketing. Although more resources for conservation assistance are now available for farmers considering the transition to organic production, the level of assistance through research and extension may be a limiting factor. Organic farmers also increasingly face competition from products with new labels like "locally grown." And, the weaker U.S. economy over the past couple of years has presented U.S. organic producers with another challenge—dampened organic sales in some food sectors.

Organic Products Are a Small but Growing Share of Total Food Sales

Once available only in natural product stores and farmers' markets, organic foods are now found in conventional supermarkets, value-priced big-box chains, and an expanding array of direct-to-consumer markets. According to the *Nutrition Business Journal*, U.S. organic food sales are expected to reach \$25 billion in 2010, up from \$3.6 billion in 1997.

Organic products accounted for over 3.5 percent of food sold for at-home consumption in 2009. Produce and dairy products accounted for over half of organic food sales in 2009, followed by soymilk and other beverages, packaged foods, breads/grains, snack foods, condiments, and meat. Sales of other organic products (including herbal supplements, personal care products, flowers, linens, and clothing) started from a smaller base but are growing even faster than total organic food sales.

Who Are America's Organic Farmers?

The U.S. organic farm sector consists of a broad mix of farm sizes and production specialties and includes many farms that manage both conventional and organic crops and livestock operations. USDA-accredited groups provided organic certification to nearly 13,000 U.S. producers in 2008, including some who also process their goods into organic jam, cheese, wine, and other products. Operations with less than \$5,000 in annual organic sales do not have to be certified as organic, and a number of these small-scale farms opt not to obtain certification. In 2008, USDA conducted its first nationwide survey of organic producers. Over 87 percent of certified and small-scale organic farmers responded to the 2008 Organic Production Survey—including 10,903 certified operations and 3,637 operations that were exempt from certification.

Although there is no typical organic farmer, data from the survey show that certified and exempt organic farmers, on average, tended to operate smaller farms (280 acres) than all U.S. farmers (418 acres). Organic agriculture also has a higher share of female farm and ranch operators (22 percent, compared with 14 percent for conventional agriculture) and younger operators (average age was 53 for organic and 57 for all farm operators).

Farming is the primary occupation for 60 percent of organic operators and 45 percent of all agricultural producers. And, similar to the shares for conventional agriculture, more than 90 percent of organic farm sales are made by about 25 percent of the organic farm operations. About 31 percent of the organic operations had sales under \$5,000, compared with 45 percent of conventional operations.

The structure of the U.S. organic production sector differs significantly from that of conventional agriculture. For example, fruit and vegetables account for a much larger percentage of total acreage in organic farming than in conventional farming. Organic fruit and vegetable acreage expanded substantially during the past decade: 3 percent of U.S. fruit acreage and over 8 percent of U.S. vegetable acreage was managed organically in 2008, up from 2.5 and 4.7 percent, respectively, in 2005. Among all U.S. fruit and vegetables, the highest adoption levels includes berries (9 percent of total U.S. berry acreage), lettuce (8 percent), and apples (5 percent). California remains the leading State in certified organic cropland, with nearly 400,000 acres, with over 40 percent in fruit and vegetable production.

Source: *Amber Waves*, USDA-ERS, June 2010

AG FERTILIZER & CHEMICAL USAGE

North Dakota

Farm operators applied nitrogen to 100 percent of the winter wheat acres in 2009. Phosphate was applied to 97 percent, potash to 26 percent, and sulfur applications covered 24 percent. No data was available for fertilizer applications for winter wheat acreage in 2006.

During 2009, nitrogen was applied to 96 percent of the spring wheat acres. Phosphate was applied to 89 percent, potash 18 percent, and sulfur applications covered 6 percent. Comparison data for spring wheat acreage came from 2006. During 2006, nitrogen was applied to 99 percent of the spring wheat acreage, phosphate 88 percent, potash 21 percent, and sulfur 11 percent.

Nitrogen was applied to 99 percent of the Durum wheat planted acreage in 2009. Phosphate was applied to 87 percent, potash to 11 percent and sulfur to 9 percent. Comparison data for Durum wheat came from 2006. During 2006, nitrogen was applied to 92 percent of the Durum wheat acreage, phosphate 71 percent, potash 7 percent, and sulfur 4 percent.

Glyphosate iso. salt was the most commonly applied herbicide for winter wheat, covering 84 percent of the 2009 acreage. Other herbicides used for winter wheat include Fluroxypyr 1-MHE, Clopyralid, MCPA, 2-ethylhexyl applied to 39 percent, 38 percent, and 33 percent of the acreage, respectively. Propiconazole, used on 57 percent of the winter wheat acreage, was the most popular fungicide. No data was available for pesticide applications for winter wheat acreage in 2006.

Fenoxaprop-p-ethyl was the most commonly applied herbicide for spring wheat in 2009, with 51 percent of the acreage covered. Other herbicides used for spring wheat

include Glyphosate iso. salt, Bromoxynil Octanoate, Fluroxypyr 1-MHE applied to 49 percent, 45 percent, and 38 percent of the acreage, respectively. The fungicide Propiconazole was applied to 34 percent of the spring wheat acres in 2009. Other fungicides used for spring wheat include Tebuconazole and Pyraclostrobin applied to 13 percent and 7 percent of the acreage, respectively. During 2006, Fenoxaprop-p-ethyl was applied to 45 percent of the spring wheat acreage, MCPA, 2-ethylhexyl 44 percent, Glyphosate iso. salt 37 percent, and Fluroxypyr 1-MHE 34 percent. The fungicide Propiconazole was applied to 10 percent of the spring wheat acreage in 2006.

Glyphosate iso. salt was the most commonly used herbicide for Durum wheat, covering 75 percent of the 2009 acreage. Other herbicides used were Bromoxynil Octanoate at 58 percent, Fenoxaprop-p-ethyl at 52 percent, and Bromoxynil Heptan at 31 percent. The fungicide Propiconazole was applied to 22 percent of the Durum wheat acres in 2009. During 2006, Glyphosate iso. salt was the most commonly applied herbicide for Durum wheat, covering 50 percent of the 2006 acreage. Other commonly used Durum wheat herbicides used in 2006 were Fenoxaprop-p-ethyl at 43 percent, MCPA, 2-ethylhexyl at 37 percent, and 2,4-D, 2-EHE at 28 percent. No data was available for fungicide applications for Durum wheat acreage in 2006.

The agricultural chemical use estimates in this report refer to on-farm use of commercial fertilizers and pesticides on targeted crops for the 2009 crop year. The farmers operating the sampled fields were personally interviewed late in the growing season or after the farm operator had indicated that planned fertilizing and pesticide applications were completed.

ADDRESS SERVICE REQUESTED

Penalty for Private Use, \$300

OFFICIAL BUSINESS

FARGO, ND 58108-3166

PO BOX 3166

USDA, NASS, North Dakota Field Office

USDA PERMIT NO G-38

POSTAGE & FEES PAID

PRSR STD