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HOG INVENTORY

North Dakota The December 1, 2010 all hog and pig inventory, at 143,000 head, decreased 12,000 from December 1, 2009 as a result of a decrease in both breeding and market hog inventory. This is the lowest total inventory since the 120,000 head crop of 1899. Over the past 10 years, the largest December 1 inventory was 185,000 head in 2000, while the previous low was 144,000 in 2002.

The breeding herd totaled 37,000 head, down 1,000 head from December 1, 2009. The 2010 pig crop totaled 757,000, down 6,000 from last year's 50 year high of 763,000 head. Average pigs per litter, at 10.37, eclipsed last year's 10.24, which had been the highest since recording began in 1924.

Market hogs on December 1 totaled 106,000, down 11,000 from December 1 of 2009. This 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: 53,000 head weighing under 50 pounds, down 13 percent from the previous year; 22,000 head in the 50-119 pound range, down 8 percent; 16,000 head in the 120-179 range, down 11 percent; 15,000 head at or over 180 pounds, up 7 percent.

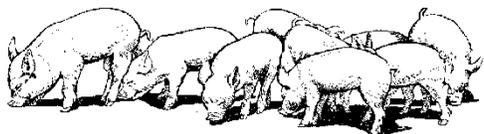
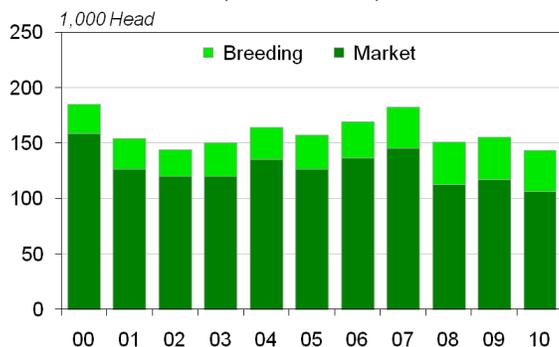
United States Inventory of all hogs and pigs on December 1, 2010 was 64.3 million head. This was down 1 percent from December 1, 2009, and down 2 percent from September 1, 2010.

Breeding inventory, at 5.78 million head, was down 1 percent from last year, but up slightly from the previous quarter. Market hog inventory, at 58.5 million head, was down 1 percent from last year, and down 2 percent from last quarter.

The September-November 2010 pig crop, at 28.2 million head, was down slightly from 2009. Sows farrowing during this period totaled 2.85 million head, down 2 percent from 2009. The sows farrowed during this quarter represented 49 percent of the breeding herd. The average pigs saved per litter was a record high 9.89 for the September-November 2010 period, compared to 9.70 last year. Pigs saved per litter by size of operation ranged from 7.70 for operations with 1-99 hogs and pigs to 10.00 for operations with more than 5,000 hogs and pigs.

U.S. hog producers intend to have 2.86 million sows farrow during the December 2010-February 2011 quarter, down 1 percent from the actual farrowings during the December 2009-February 2010 quarter, and down 5 percent from December 2008-February 2009 quarter. Intended farrowings for March-May 2011, at 2.86 million sows, are down 2 percent from 2010 and down 5 percent from 2009.

Hogs and Pigs: Inventory North Dakota, December 1, 2000-2010



Hogs and Pigs Inventory by Class, Weight Group, Sows Farrowing, Pig Crop and Pigs Per Litter – North Dakota and United States: December 1, 2009-2010

Item	North Dakota		United States	
	2009 (1,000 head)	2010 (1,000 head)	2009 (1,000 head)	2010 (1,000 head)
All hogs and pigs.....	155	143	64,887	64,325
Breeding.....	38	37	5,850	5,778
Market.....	117	106	59,037	58,547
Under 50 pounds.....	61	53	18,705	18,564
50-119 pounds.....	24	22	16,782	16,519
120-179 pounds.....	18	16	12,299	12,208
180 pounds and over....	14	15	11,252	11,256
Sows farrowing:				
Dec-Nov ¹	74.5	73.0	11,904	11,555
Pig crop:				
Dec-Nov ¹	763.0	757.0	114,542.0	112,988.8
Pigs per litter:	(number)	(number)	(number)	(number)
Dec-Nov ¹	10.24	10.37	9.62	9.78

¹ December preceding year.

AGRICULTURAL PRICES

North Dakota

The Index of Prices Received for All Farm Products in December is 209 percent of the 1990-1992 base. This is up 30 percent from last year and 12 percent above two years ago. The All Crops Index, at 222 percent of the base, is up 30 percent from December 2009 and the All Livestock and Products Index, at 140 percent, is also up 23 percent from last year. December indexes are calculated using preliminary mid-month prices.

United States

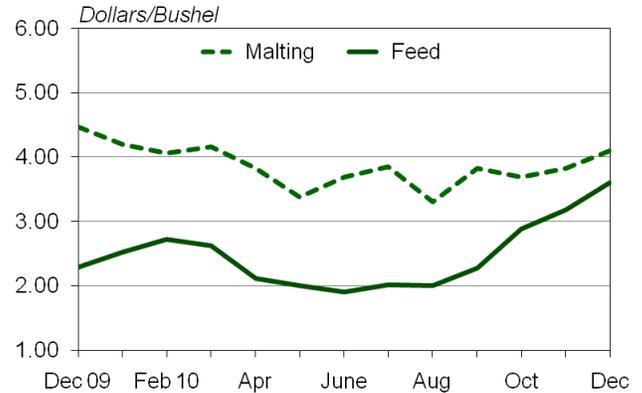
The December All Farm Products Index is 160 percent of its 1990-1992 base, up 1 percent from the November index and 19 percent above the December 2009 index. The All Crops Index is 179, up 1 percent from November and 19 percent above December 2009. The Livestock and Products Index, at 135, is 1 percent below last month but up 13 percent from December 2009.

Prices Received, Prices Paid, and Ratio of Prices Received to Prices Paid, Indexes 1990-1992=100 – North Dakota and United States: December 2010 with Comparisons

Index	North Dakota			United States		
	Dec 2009	Nov 2010	Dec 2010	Dec 2009	Nov 2010	Dec 2010
Prices received:						
All products	161	188	209	135	159	160
All crops	171	200	222	150	177	179
Food grains	169	221	253	172	198	229
Feed grains & hay	178	192	223	155	194	207
Oil bearing crops ¹	175	210	221	172	191	204
Potatoes & dry beans ²	163	151	148	135	139	143
Livestock and products	114	135	140	119	136	135
Meat animals	113	137	144	105	123	127
Dairy products	109	105	109	126	137	129
Other livestock products ³	127	126	127	140	161	154
Prices paid	(NA)	(NA)	(NA)	178	188	191
Ratio prices received to prices paid ..	(NA)	(NA)	(NA)	76	85	84

(NA)=Not available. ¹ Includes non-oil sunflower. ² North Dakota includes lentils, dry peas and sugarbeets. ³ United States excludes wool.

Barley Prices Received by Farmers North Dakota, December 2009-December 2010



Prices Received for Field Crops and Livestock – North Dakota and United States: December 2010 with Comparisons

Item	North Dakota			United States			Effective U.S. Parity Price December 2010
	Entire Month		Preliminary	Entire Month		Preliminary	
	December 2009	November 2010	December 2010	December 2009	November 2010	December 2010	
Wheat, all	4.89	6.29	7.34	4.87	6.13	7.05	15.20
Spring	4.94	6.47	7.50	5.18	6.36	7.38	(NA)
Durum	4.82	6.03	6.80	4.91	6.04	6.83	(NA)
Winter	4.27	5.02	6.30	4.68	6.00	6.85	(NA)
Corn	3.25	4.17	4.85	3.60	4.55	4.94	9.46
Oats	(D)	2.67	(D)	2.22	3.02	2.74	6.21
Barley, all	4.26	3.59	4.00	4.54	3.82	3.98	10.60
Feed	2.29	3.18	3.60	2.63	3.31	3.69	(NA)
Malting	4.47	3.82	4.10	4.84	3.97	4.04	(NA)
Sunflower, all	16.00	19.80	21.70	14.80	19.10	21.20	47.10
Oil	13.40	19.00	(NA)	(NA)	(NA)	(NA)	(NA)
Non-oil	21.70	24.50	(NA)	(NA)	(NA)	(NA)	(NA)
Baled Hay, all ¹	63.00	55.00	59.00	105.00	111.00	112.00	(NA)
Alfalfa ¹	68.00	58.00	63.00	109.00	117.00	121.00	(NA)
Other ¹	46.00	42.00	46.00	96.20	95.50	94.60	(NA)
Canola	15.80	19.10	20.80	15.80	19.10	20.80	41.50
Flaxseed	8.40	12.30	12.90	8.40	12.30	12.90	24.70
Soybeans	9.40	10.70	11.50	9.80	11.10	11.70	23.30
Beans, all dry edible	27.90	21.60	20.40	31.20	26.90	25.00	73.30
Navy	26.90	26.60	(NA)	(NA)	(NA)	(NA)	(NA)
Pinto	28.10	18.90	(NA)	(NA)	(NA)	(NA)	(NA)
Potatoes, all	9.95	8.75	9.25	7.47	8.06	8.52	21.20
Fresh ²	9.15	13.20	(D)	6.19	10.41	(D)	(NA)
Processing	9.95	7.25	(D)	8.17	6.71	(D)	(NA)
Cattle, all beef	80.30	97.90	104.00	78.50	94.00	97.60	259.00
Steers & heifers	91.50	114.00	116.00	83.80	101.00	104.00	(NA)
Cows	45.00	52.00	55.00	43.50	51.70	54.20	(NA)
Calves	106.00	126.00	131.00	105.00	124.00	128.00	366.00
Sheep	35.00	45.00	(NA)	44.40	54.20	(NA)	111.00
Lambs	99.00	155.00	(NA)	98.70	142.00	(NA)	293.00
Hogs	44.40	46.60	(NA)	45.00	47.80	51.90	141.00

(D) Withheld to avoid disclosing data for individual operations. (NA)=Not available. ¹ Alfalfa, other and all hay are mid-month prices only. ² Fresh market prices only, includes table stock.

Varied Interests Drive Growing Popularity of Local Foods

As demand for local foods grows, so do questions about what constitutes “local” foods, what characterizes local food markets, and how local food markets affect farmers, consumers, and communities.

In the early 1900s, nearly 40 percent of Americans lived on farms, and most food was locally grown and marketed. Food processing amounted to canning, dehydrating, salting, or smoking, and few foods traveled more than a day to market. Consumption was dictated by local seasonality. Following World War II, transportation costs dropped and improvements in refrigeration allowed perishable items such as meats and produce to be shipped across the globe affordably.

In the late 1960s, a desire to eat locally was aligned with a budding environmental movement. A more recent renewal of that aspiration has gained momentum. As interest and demand for local foods grow, so do questions about what constitutes “local” foods, what characterizes local food markets, and what the impact of local food is on economic development, health, and environmental quality.

Local Food Is Defined by Travel Distance, Although Distances Vary

“Local foods” is often thought of as a geographic concept, referring to the distance from production to consumption. The *New Oxford American Dictionary* defines its 2007 word of the year, “locavore,” as a person who tries to eat only food grown or produced within a 100-mile radius. However, there is little consensus that 100 miles equates to local.

Several food retail companies have adopted their own local food definitions. Wal-Mart, for example, defines local food as that produced within a State’s borders. Dorothy Lane Market—a small independent supermarket with three gourmet stores in Dayton, OH—considers foods grown or raised within a 250-mile radius of Dayton as local. According to Whole Foods, a “natural” and organic food retailer, products must travel less than a day (7 or fewer hours by car or truck) from farm to store to be designated as local. However, most Whole Foods’ stores have established even shorter maximum distances.

Federal and some State policymakers also have their own definitions. According to the definition adopted by the U.S. Congress in the 2008 Food, Conservation, and Energy Act, “locally or regionally produced agricultural food product” can only travel less than 400 miles from its origin, or within the State in which it is produced. Vermont law requires that “local” items originate within 30 miles of the point of sale.

Distances perceived to constitute local may also vary by region. Population density is important because what is considered local in a sparsely populated area may be quite different in more heavily populated regions. For example, people accustomed to driving great distances for specialized services or goods may regard a day’s drive as local, whereas the same distance is unlikely to be regarded as “local” by a resident of a large city.

What Do Consumers Look for in Local Foods?

In addition to geographic proximity, consumers ascribe other characteristics to local foods. Consumers in a national study by the Food Marketing Institute in 2009 cited freshness (82 percent), support for the local economy (75 percent), and knowing the source of the product (58 percent) as reasons for buying local food. Important features of local food marketing channels are that production and distribution occur in a specific region, and consumers are informed about the local nature of products, for example, through personal communication.

Several studies have identified consumer perceptions of local food, including that local produce is fresher looking and tasting, of higher quality, and a better value for the price. Some consumers associate local foods with environmentally sustainable production methods, such as limited use of chemicals, energy-based fertilizers, and pesticides. Consumers also may extend local food production methods to include fair farm labor practices and animal welfare. In some consumers’ minds, local foods are synonymous with small farms that are committed to the local community through social and economic relationships.

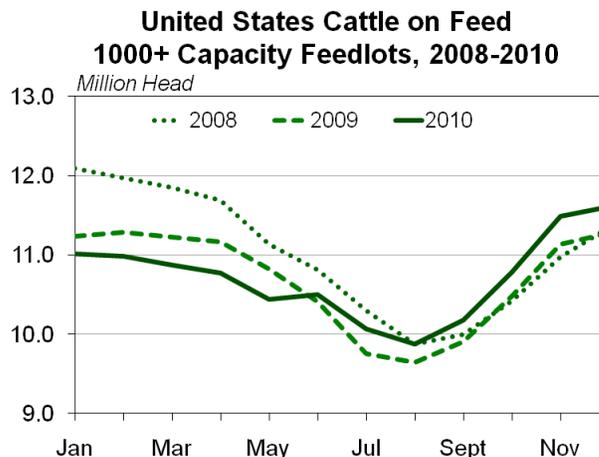
Source: *Amber Waves*, USDA-ERS, December 2010

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 11.6 million head on December 1, 2010. The inventory was 3 percent above December 1, 2009.

Placements in feedlots during November totaled 1.96 million, 6 percent above 2009. Net placements were 1.90 million head. During November, placements of cattle and calves weighing less than 600 pounds were 625,000, 600-699 pounds were 590,000, 700-799 pounds were 373,000, and 800 pounds and greater were 370,000.

Marketings of fed cattle during November totaled 1.77 million, 9 percent above 2009. Other disappearance totaled 62,000 during November, 6 percent below 2009.



LIVESTOCK SLAUGHTER

United States

Commercial red meat production for the United States totaled 4.33 billion pounds in November, up 9 percent from the 3.96 billion pounds produced in November 2009.

Beef production, at 2.24 billion pounds, was 11 percent above the previous year. Cattle slaughter totaled 2.88 million head, up 11 percent from November 2009. The average live weight was up 1 pound from the previous year, at 1,299 pounds.

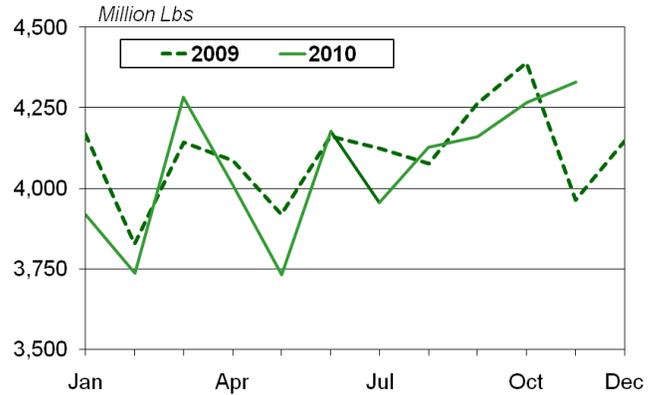
Veal production totaled 11.3 million pounds, 4 percent below November a year ago. Calf slaughter totaled 72,900 head, down 10 percent from November 2009. The average live weight was up 23 pounds from last year, at 269 pounds.

Pork production totaled 2.07 billion pounds, up 8 percent from the previous year. Hog kill totaled 9.97 million head, up 5 percent from November 2009. The average live weight was up 6 pounds from the previous year, at 278 pounds.

Lamb and mutton production, at 14.3 million pounds, was down slightly from November 2009. Sheep slaughter totaled 218,000 head, 1 percent below last year. The average live weight was 131 pounds, unchanged from November a year ago.

January to November 2010 commercial red meat production was 44.7 billion pounds, down 1 percent from 2009. Accumulated beef production was up 1 percent from last year, veal was down 2 percent, pork was down 3 percent from last year, and lamb and mutton production was down 4 percent.

**Commercial Red Meat Production
United States, 2009-2010**



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