Agri-News

USDA – National Agricultural Statistical Service
Iowa Field Office
210 Walnut, Room 833 • Des Moines, Iowa 50309-2195
515-284-4340 • 1-800-772-0825 • FAX 515-284-4342 • nass-ia@nass.usda.gov
To access NASS reports - http://www.usda.gov/nass/

Vol. 06-21 Issued October 13, 2006

Crop Production

IOWA: As September closed, harvest was underway for corn and soybeans.

Corn: As of October 1, Iowa's corn crop was forecast to yield 168.0 bushels per acre. If realized, the yield will be the third highest yield on record. Production is forecast at 2.08 billion bushels for the state, down 4 percent from last year. Forecasted ear counts per acre (27,350) are the second highest on record when compared to final counts. Harvest is underway with 7 percent complete on September 30, slightly behind the previous year and slightly behind the average pace.

Soybeans: The October 1 yield forecast of 50.0 bushels per acre is up 1 bushels from the September 1 forecast, but down 2.5 bushels per acre from 2005. If realized, the yield would be the second highest on record for Iowa. Soybean production would be 502.5 million bushels, down 4 percent from last year. Soybean harvest was 23 percent complete on September 30, well behind the average pace.

October 2006 Production Summary - Iowa and United States

Crop	For Harvest		Yield per acre		Production	
	2005	2006	2005	2006	2005	2006
	Thousand Acres	*Thousand Acres*	*Bushels*	*Bushels*	*Thousand Bushels*	*Thousand Bushels*
IOWA						
Corn for Grain	12,500	12,400	173.0	168.0	2,162,500	2,083,200
Soybeans	10,000	10,050	52.5	50.0	525,000	502,500
Alfalfa Hay	1,250	1,180	4.10	4.30	5,125	5,074
All Other Hay	350	420	2.10	2.10	735	882
UNITED STATES						
Corn for Grain	75,107	71,047	147.9	153.5	11,112,072	10,905,194
Soybeans	71,251	74,505	43.0	42.8	3,063,237	3,188,576
Alfalfa Hay	22,389	22,407	3.38	3.33	75,771	74,527
All Other Hay	39,260	40,290	1.91	1.80	74,819	72,511

For the complete Crop Production report go to
www.nass.usda.com

ECONOMIST CORNER

Livestock by John Lawrence and Grains by Robert Wisner
Iowa Cooperative Extension Service – Ames

LIVESTOCK

Hog slaughter is trending toward its highest levels of the year that occur near Thanksgiving. Weights are also heavier in the fall of the year adding to total pork supply and pressuring prices. Year-to-date slaughter is 0.8% ahead of the same time in 2005, but it has been 2.4% higher than the year before since July 1. Based on the September *Hogs & Pigs* report supplies are expected to remain 2% above the year earlier levels through the 4th quarter. Prices are forecast to work lower into November and could put in a low near Thanksgiving in the low $40s on a live weight basis. Seasonally, prices typically rally from this low to a winter-spring plateau around mid February expected to be in the mid-$40s.

Fed cattle prices traded near $89 ($140 in the beef) in early October. This price is near a recent high set a month ago and expected to work into the low-mid $90s by early 2007. Record carcass weights continue to be a challenge as do the large feedlot inventories. Drought conditions forced many feeder cattle into feedlots at lower placement weights making it difficult to predict when they may be marketed. However, the carcass weights and the narrower than normal Choice-Select spread suggests that feedlot marketings may be behind schedule. Adding to the slaughter mix and masking some of the carcass weight concern is increased cow slaughter. Since July 1 beef cow slaughter is up 31% and is expected to remain higher than 2005 levels.

GRAINS

The October 12 crop report placed the nation's corn crop at approximately 240 million bushels less than the grain trade had anticipated. At the same time, worsening drought in Australia sharply reduced its expected wheat crop, tightening world supplies of feed wheat and boosting U.S. corn export prospects. ***The U.S. corn crop, with the second highest yield on record, is now estimated <u>to fall a billion bushels short</u> of expected market demand.*** This news, combined with a projected 34% increase in the amount of corn processed into ethanol this marketing year and an even larger potential increase next season, is likely to keep corn prices quite volatile from now to spring. Further increases in cash and corn futures prices appear likely at times this winter and early next spring as the market attempts to encourage farmers to plant more corn.

The U.S. soybean crop estimate was increased substantially from last month, but was about 25 million bushels less than the average of grain trade expectations. With a small increase (66 million bushels) in South American soybean production anticipated, the record U.S. soybean crop is expected to cause a moderate increase in U.S. August 31, 2007 soybean carryover stocks. Stocks at the projected level in the past would have been considered very negative to soybean prices. However, a sharp increase in corn plantings next spring is likely to reduce soybeans acres, and that may set the stage for reduced soybean carryover stocks in 2006-07.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA			U.S.	
		Sep [1] 2005	Aug [1] 2006	Sep [2] 2006	Aug [1] 2006	Sep [2] 2006
		---------------Dollars---------------				
Corn	Bu.	1.81	2.04	1.95	2.09	2.11
Oats	Bu.	1.51	1.81	1.75	1.67	1.68
Soybeans	Bu.	5.80	4.84	4.80	5.23	5.12
Alfalfa, baled	Ton	80.00	80.00	82.00	110.00	112.00
All Hay, baled	Ton	78.00	78.00	78.00	106.00	107.00
All Hogs	Cwt.	51.40	54.00	51.80	51.60	50.00
Sows	Cwt.	40.70	35.50	36.00	34.80	34.80
Brw & Gilts	Cwt.	51.50	54.40	52.00	52.50	50.70
Beef Cattle	Cwt.	86.30	86.20	87.70	87.70	90.30
Cows	Cwt.	49.50	52.10	53.00	47.00	47.30
Strs & Hfrs	Cwt.	87.00	86.90	88.40	91.90	95.20
Calves	Cwt.	131.00	123.00	121.00	134.00	135.00
Milk Cows [3]	Hd.	-	-	-	-	-
Milk (whls)	Cwt.	15.80	12.60	13.00	12.00	12.60
Sheep	Cwt.	47.70	40.70	-	28.40	-
Lambs	Cwt.	98.10	94.90	-	94.80	-
Eggs (mkt)	Doz.	0.401	0.334	0.314	0.388	0.372

[1] Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. [2] All prices are mid-month. [3] Prices published January, April, July, and October.

Prices Received Index Summary Table

Prices Received	IOWA			UNITED STATES		
	Sep 2005	Aug 2006	Sep [1] 2006	Sep 2005	Aug 2006	Sep [1] 2006
	1990-92=100 [2]					
Prices rec'd	102	98	94	116	120	118
Crops	91	89	87	111	126	119
Lvstk	113	106	100	122	115	116
	1910-14=100 [3]					
Prices rec'd	-	-	-	740	762	749
Crops	-	-	-	550	620	587
Lvstk	-	-	-	936	881	894

[1] Preliminary [2] 1990-92=100 reference replaced 1997=100 in January 1995. [3] Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Sep 2005	Aug 2006	Sep 2006	Sep 2005	Aug 2006	Sep 2006
	1990-92=100			1910-14=100		
Prices Paid [1]	142	148	147	1,894	1,965	1,960
Feed	118	122	120	578	595	588
Ratio [2]	-	-	-	82	81	80
Parity Ratio [3]	39	39	38	-	-	-

[1] Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. [2] Received/Paid [3] Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

Iowa District Estimates

Corn, 2005-2006

District	Harvested[1]		Yield/acre[2]		Production	
	2005	2006	2005	2006	2005	2006
	Thousand Acres	*Thousand Acres*	*Bushels*	*Bushels*	*Thousand Bushels*	*Thousand Bushels*
NW	1,889	1,875	182.6	155.0	345,000	291,400
NC	1,801	1,790	185.7	178.0	334,500	319,100
NE	1,466	1,455	183.5	185.0	269,000	268,900
WC	1,841	1,825	173.3	135.0	319,000	245,800
C	1,848	1,830	186.7	173.0	345,000	317,300
EC	1,299	1,280	143.2	179.0	186,000	228,700
SW	992	990	163.8	190.0	162,500	188,400
SC	500	500	156.0	150.0	78,000	75,200
SE	864	855	142.9	174.0	123,500	148,400
State	12,500	12,400	173.0	168.0	2,162,500	2,083,200

[1] Harvest for grain [2] Yield rounded

Soybeans, 2005-2006

District	Harvested		Yield/acre[2]		Production	
	2005	2006	2005	2006	2005	2006
	Thousand Acres	*Thousand Acres*	*Bushels*	*Bushels*	*Thousand Bushels*	*Thousand Bushels*
NW	1,615	1,630	53.1	50.0	85,758	81,980
NC	1,371	1,390	53.0	50.0	72,685	69,040
NE	856	860	56.4	54.0	48,282	46,270
WC	1,569	1,560	51.2	46.0	80,333	71,420
C	1,463	1,480	56.1	52.0	82,135	77,080
EC	925	920	48.5	52.0	44,898	47,750
SW	942	940	51.1	51.0	48,137	47,920
SC	509	520	50.3	50.0	25,611	25,740
SE	750	750	49.5	47.0	37,161	35,300
State	10,000	10,050	52.5	50.0	525,000	502,500

U.S. Corn Supply and Demand

CORN	2004-2005	2005-2006 (Est.)	2006-2007 [1] Projections October
	Million Bushels	*Million Bushels*	*Million Bushels*
Beginning Stocks	958	2,114	1,971
Production	11,807	11,112	10,905
Imports	11	11	10
Supply, total	12,776	13,237	12,886
Feed & Residual	6,158	6,141	6,100
Food, Seed & Industrial	2,686	2,975	3,540
Domestic, total	8,844	9,116	9,640
Exports	1,818	2,150	2,250
Use, total	10,662	11,266	11,890
Ending Stocks, total	2,114	1,971	996
Avg. farm price ($/bu)	2.06	2.00	2.40-2.80

[1] Preliminary

U.S. Soybean Supply and Demand

SOYBEANS	2004-2005	2005-2006 (Est.)	2006-2007 [1] Projections October
	Million Bushels	*Million Bushels*	*Million Bushels*
Beginning Stocks	112	256	449
Production	3,124	3,063	3,189
Imports	6	4	4
Supply, total	3,242	3,323	3,641
Crushings	1,696	1,739	1,775
Exports	1,097	948	1,145
Seed	88	93	91
Residual	104	95	75
Use, total	2,986	2,874	3,086
Ending stocks	256	449	555
Avg. farm price ($/bu)	5.74	5.66	4.90-5.90

[1] Preliminary

Corn for Grain: Number of Ears per Acre Selected States, 2002 - 2006 [1]

State	2002	2003	2004	2005	2006 [2]
	Number of Ears	*Number of Ears*	*Number of Ears*	*Number of Ears*	*Number of Ears*
Illinois	25,000	26,650	27,400	26,850	27,450
Indiana	23,650	25,350	26,050	24,650	25,750
Iowa	25,800	26,600	27,500	27,100	27,350
Kansas [2]			22,150	20,900	20,750
Minnesota	26,100	28,600	29,200	28,050	28,250
Missouri [3]			24,250	22,600	23,800
Nebraska	21,200	22,600	24,050	22,800	23,700
Ohio	22,350	25,750	26,050	24,650	25,350
South Dakota [3]			22,700	23,050	21,900
Wisconsin	25,250	26,250	26,800	26,350	26,850

[1] Based on ear counts in plots selected for objective yield samples.
[2] Field counts began in 2004.
[3] Field counts began in 2004 after being discontinued in 1996.

U.S. Crop Production

Corn production is forecast at 10.9 billion bushels, down 2 percent from both last month and 2005. Based on conditions as of October 1, yields are expected to average 153.5 bushels per acre, down 1.2 bushels from September but 5.6 bushels higher than last year. If realized, the yield would be the second largest on record, behind 2004. Forecast yields are lower than September across the central Corn Belt as early harvest results revealed that the hot, dry summer conditions had reduced yield potential more than anticipated. However, producers in the northern and eastern Corn Belt reported better than expected yields due mainly to timely rainfall during the growing season. Expected yields across the northern and southern Great Plains are unchanged from last month. Based on administrative information, acreage updates were made in several States bringing total corn planted acres to 78.6 million acres, down 1 percent from June and 4 percent lower than 2005. Area harvested and to be harvested for grain, at 71.0 million acres, is down 1 percent from September and 5 percent below 2005.

Soybean production is forecast at 3.19 billion bushels, up 3 percent from the September forecast and up 4 percent from the 2005 crop. If realized, this would be the highest production on record. Based on October 1 conditions, yields are expected to average 42.8 bushels per acre, up 1.0 bushel from September but down 0.2 bushel from last year's record high yield. Compared with last month, yield forecasts are unchanged or higher in all States except South Dakota. The States with the largest expected increase from September are Illinois and Virginia, both up 3.0 bushels from last month. Timely rains and cooler temperatures improved yield expectations in the central and northern Corn Belt. Based on administrative information, acreage updates were made in several States with soybean planted area now at 75.6 million acres, up 1 percent from June and up 5 percent from 2005. Expected area for harvest, at 74.5 million acres, is up 1 percent from September and 5 percent above 2005.

Reminder: All crop forecasts in this report are based on conditions on October 1 and do not reflect any possible weather effects since that time. The next corn and soybean production forecasts, based on conditions as of November 1, will be released on November 9.

NEWSPAPER TIME VALUE

PERIODICALS POSTAGE PAID
AT DES MOINES, IOWA 50309
and Additional Mailing Offices

Agri-News (ISSN 0744-5298) is published semimonthly except monthly in March and three issues per month in July, August, and October by IA Agricultural Statistics, Rm 833, 210 Walnut St, Des Moines, IA 50309. Subscription is free to data reporters upon request and available for $11 per year to non-reporters. Periodicals postage paid at Des Moines, IA 50309 and additional mailing offices. Postmaster: send address changes to Agri-News, c/o SD Agricultural Statistics, PO Box 5068, Sioux Falls, SD 57117.