



# Agri-News

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## Hogs & Pigs Report

**Iowa:** On March 1, there were 16.3 million hogs and pigs on Iowa farms. The March 1 inventory was up 200,000 from a year ago.

The December 2005-February 2006 pig crop was 4.1 million head. A total of 455,000 sows farrowed with an average litter size of 9.0 pigs per sow.

As of March 1, producers planned to farrow 460,000 head of sows and gilts in the March-May 2006 quarter. Farrowing intentions for the June-August 2006 period were estimated at 470,000 as of March 1, 2006.

**United States:** U.S. inventory of all hogs and pigs on March 1, 2006 was 60.1 million head. This was up 1 percent from March 1, 2005, but down 2 percent from December 1, 2005.

Breeding inventory, at 6.03 million head, was up 1 percent from last year and up slightly from the previous quarter. Market hog inventory, at 54.1 million head, was up 1 percent from last year but down 2 percent from last quarter.

The December 2005-February 2006 pig crop, at 25.7 million head, up 1 percent from 2005 and up 2 percent from 2004. Sows farrowing during this period totaled 2.84 million head, up slightly from both 2004 and 2005. The sows farrowed during this quarter represented 47 percent of the breeding herd. The average pigs saved per litter was 9.03 for the December 2005-February 2006 period, compared to 8.94 last year. Pigs saved per litter by size of operation ranged from 7.50 for operations with 1-99 hogs and pigs to 9.10 for operations with more than 5,000 hogs and pigs.

**Hogs and Pigs: Breeding, Market, and Total Inventory  
By Selected States and United States, March 1, 2005-2006 <sup>1</sup>**

State	Breeding			Market			Total		
	2005	2006	'06 as % of '05	2005	2006	'06 as % of '05	2005	2006	'06 as % of '05
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Percent</i>
IL	430	420	98	3,570	3,630	102	4,000	4,050	101
<b>IA</b>	<b>1,080</b>	<b>1,100</b>	<b>102</b>	<b>15,020</b>	<b>15,200</b>	<b>101</b>	<b>16,100</b>	<b>16,300</b>	<b>101</b>
MN	590	580	98	5,710	5,820	102	6,300	6,400	102
MO	330	345	105	2,520	2,355	93	2,850	2,700	95
NE	355	355	100	2,395	2,545	106	2,750	2,900	105
NC	1,010	1,020	101	8,690	8,480	98	9,700	9,500	98
US	5,941	6,025	101	53,757	54,079	101	59,699	60,104	101

<sup>1</sup> May not add due to rounding.

**Market Hogs and Pigs: Inventory Number by Weight Group,  
Selected States, and United States, March 1, 2005-2006 <sup>1</sup>**

State	Under 60 lbs.		60-119 lbs.		120-179 lbs.		180 lbs. and over	
	2005	2006	2005	2006	2005	2006	2005	2006
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>1,000 Head</i>
IL	1,360	1,280	840	870	760	800	610	680
<b>IA</b>	<b>4,330</b>	<b>4,670</b>	<b>4,230</b>	<b>4,150</b>	<b>3,490</b>	<b>3,440</b>	<b>2,970</b>	<b>2,940</b>
MN	2,230	2,240	1,390	1,370	1,250	1,310	840	900
MO	1,190	1,085	520	490	480	460	330	320
NE	970	1,000	600	660	470	490	355	395
NC	3,410	3,400	2,030	1,940	1,830	1,690	1,420	1,450
US	19,667	19,838	13,087	13,114	11,360	11,317	9,644	9,811

<sup>1</sup> Weight groups may not add to Market due to rounding.

## ECONOMIST CORNER

Livestock by Shane Ellis and Grains by Robert Wisner  
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**LIVESTOCK:** It is the start of the spring calving season for many cow-calf producers and most are wondering if they will be seeing the profitable prices they experienced in the past three years. Early indications are that fourth quarter 550 pound feeder cattle prices will be down 15 cents or more from last year. We know the supply of feeder animals, both domestic born and imported, is on the increase making it easier for feedlots to acquire cattle. Feedlots are also looking at feed resources in the coming year, and after two record corn harvests, planting intentions are down this spring. The impending increases in corn prices may persuade most feedlots to lower their offerings. Currently the number of cattle on feed is up 9 percent from a year ago at over 12 million head. Monthly cattle placements have been up since September of last year. Also adding to the supply are heavier slaughter weights as cattle continue to be fed longer. Domestic demand is still fairly strong, but is not likely to increase as consumers have to pay more for all goods as fuel prices stay high. Foreign demand is not expected to make any major come backs as Asian markets remain closed. If and when those markets open, or reopen in the case of Japan, it will take considerable time and effort to regain consumer confidence in US beef or even beef in general.

The March Hog and Pig report, released last week, showed the continued increase of the US swine herd which is now at 60.1 million head. Breeding herd inventories are up 1.4 percent at just over 6 million head. Pork supplies are on the increase with high cold storage volumes and record heavy carcass weights. If this were not enough to add downward pressure to hog prices consider also that domestic demand is slowing and poultry, a close substitute for pork, is also in plentiful supply. However, there are still a few market factors that will support hog prices, such foreign demand. In 2005, pork export volumes were up 22 percent from the year previous, nearly double the exports in year 2000. US pork continues to have a strong presence in the Asian meat market, while US beef continues to face closed and "re-closed" doors. Looking at the next four quarters we can expect continued but only moderate increases in the pork supply. Prices will be lower than those seen in the past two years. Currently, the ISU forecast for farm level, live hog prices to be in the range of \$44-47 cwt for the next two quarters.

**GRAINS:** Smaller-than-expected U.S. prospective corn plantings will make corn prices quite sensitive to any widespread planting delays or weather problems during the growing season. With the five percent decline in potential U.S. corn planted acres, a normal yield would produce approximately 900 million bushels less than next season's potential utilization. Because of large old-crop carryover stocks, that difference would not be expected to create a corn shortage, but would almost certainly push corn prices moderately above the level of the last two years. However, serious weather problems and a U.S. yield 6% below the long-run trend would produce a crop about 1.7 billion bushels below potential utilization, and would require sharply higher prices to ration usage. Early indications point to a potential expansion in corn processing for ethanol of 28 to 32 percent next season along with good export demand because of a sharp drop in Southern Hemisphere corn production.

In contrast to corn, the higher-than-expected soybean planting intentions will make bean prices less sensitive to weather than previously anticipated. Soybean carryover stocks on September 1 appear likely to be more than five times as large as two years earlier and more than double the level of last summer. The 4.8 million acre increase in prospective plantings would have the potential to add another 100 million bushels to the U.S. soybean carryover stocks by September 1, 2007. Sharply increasing carryover stocks and prospects for a sizeable increase in the South American soybean crop currently being harvested are cautions pointing to risk of lower soybean prices this summer and fall. Soybean export demand has been quite weak so far this season. Cumulative U.S. export sales from last September 1 through March 23 were down 23 percent from a year earlier.

## Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA			U.S.	
		Mar <sup>1</sup> 2005	Feb <sup>1</sup> 2006	Mar <sup>2</sup> 2006	Feb <sup>1</sup> 2006	Mar <sup>2</sup> 2006
-----Dollars-----						
Corn	Bu.	1.98	1.95	1.95	2.02	2.01
Oats	Bu.	1.93	1.87	1.87	1.82	1.77
Soybeans	Bu.	5.86	5.53	5.45	5.67	5.55
Alfalfa, baled	Ton	85.00	79.00	82.00	99.20	100.00
All Hay, baled	Ton	84.00	77.00	80.00	95.00	97.10
All Hogs	Cwt.	52.80	43.90	43.30	42.60	42.40
Sows	Cwt.	46.00	30.60	33.60	31.10	34.40
Brw & Gilts	Cwt.	52.90	44.50	43.50	43.20	42.80
Beef Cattle	Cwt.	94.20	95.80	93.20	92.40	89.20
Cows	Cwt.	55.50	53.40	52.00	49.70	49.90
Strs & Hfirs	Cwt.	95.00	96.70	94.00	97.80	94.10
Calves	Cwt.	135.00	141.00	138.00	142.00	138.00
Milk Cows <sup>3</sup>	Hd.	-	-	-	-	-
Milk (whls)	Cwt.	15.80	14.40	14.00	13.50	12.80
Sheep	Cwt.	43.90	50.00	-	46.00	-
Lambs	Cwt.	109.00	80.00	-	96.80	-
Eggs (mkt)	Doz.	0.290	0.257	0.445	0.301	0.499

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

## Price Index Summary Table

Prices Received	IOWA			UNITED STATES		
	Mar 2005	Feb 2006	Mar <sup>1</sup> 2006	Mar 2005	Feb 2006	Mar <sup>1</sup> 2006
1990-92=100 <sup>2</sup>						
Prices rec'd	107	101	97	119	114	113
Crops	96	92	92	116	114	117
Lvstk	118	110	102	121	114	111
1910-14=100 <sup>3</sup>						
Prices rec'd	-	-	-	754	724	706
Crops	-	-	-	570	564	564
Lvstk	-	-	-	931	871	826

<sup>1</sup> Preliminary <sup>2</sup> 1990-92=100 reference replaced 1997=100 in January 1995.

<sup>3</sup> Iowa figures for 1910-14=100 base not available.

## U.S. Prices Paid Index Summary

Prices Paid	Mar 2005	Feb 2006	Mar 2006	Mar 2005	Feb 2006	Mar 2006
	1990-92=100			1910-14=100		
Prices Paid <sup>1</sup>	139	145	144	1,845	1,931	1,923
Feed	115	120	118	559	584	577
Ratio <sup>2</sup>	86	79	78	41	37	37

<sup>1</sup> Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. <sup>2</sup> Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

## Iowa Prospective Plantings

**Corn:** Iowa farmers intend to plant 12.5 million acres of corn for all purposes as of March 1, 2006. This is down 2 percent from the 12.8 million acres planted in 2005.

**Soybeans:** Producers intend to plant 10.4 million acres of soybeans in Iowa this year. This is up 3 percent from the previous year's planted acres. If realized Iowa soybean acres will account for nearly 14 percent of the U.S. soybean planted acres.

**Oats:** Farmers intend to plant 210,000 acres of oats for all purposes. This is unchanged from last year.

**All Hay:** Iowa producers intend to harvest 1.60 million acres of hay, unchanged from last year.

This report is based on the voluntary responses from nearly two thousand Iowa producers. Data collection began February 28, with final interviews completed on March 17. This report provides only a preliminary indication of the acres farmers intend to plant. Actual plantings will depend greatly upon weather, economic conditions and the availability of production inputs at the time producers must make their final planting decisions.

### Prospective Plantings, March 1, Iowa and United States

Crop	Iowa				United States			
	2004	2005	Indicated 2006	<u>2006</u> 2005	2004	2005	Indicated 2006	<u>2006</u> 2005
	<i>Thousand Acres</i>	<i>Thousand Acres</i>	<i>Thousand Acres</i>	<i>Percent</i>	<i>Thousand Acres</i>	<i>Thousand Acres</i>	<i>Thousand Acres</i>	<i>Percent</i>
Corn, all	12,700	12,800	12,500	98	80,929	81,759	78,019	95
Oats	220	210	210	100	4,085	4,246	4,324	102
Soybeans	10,200	10,100	10,400	103	75,208	72,142	76,895	107
Hay, all <sup>1</sup>	1,600	1,600	1,600	100	61,966	61,649	61,478	100
Wheat, all	28	20	25	125	59,674	57,229	57,128	100

<sup>1</sup> Acres for harvest.

## Iowa Stocks of Grain

**Iowa:** Corn stocks in all positions on March 1, 2006 totaled 1.54 billion bushels, virtually the same as last year. Of the total stocks, 62 percent were stored on-farm. The December 2005 - February 2006 disappearance totaled 457 million bushels, 11 percent below the 514 million bushels used last year.

Soybeans stored in all positions on March 1, 2006 totaled 370 million bushels, up 28 percent from the 289 million bushels on hand March 1, 2005. Of the total stocks, 54 percent were stored on-farm. Indicated disappearance for the December 2005 - February 2006 period was 113 million bushels, 18 percent below the 138 million bushels used last year.

Oat stocks stored on the farm on March 1, 2006 totaled 2.20 million bushels, 4 percent below the 2.30 million bushels on hand March 1, 2005. Oat stocks at off-farm facilities totaled 4.90 million bushels.

**United States:** Corn stocks in all positions on March 1, 2006 totaled 6.99 billion bushels, up 3 percent from March 1, 2005. Of the total stocks, 4.06 billion bushels are stored on farms, down 2 percent from a year earlier. Off-farm stocks, at 2.93 billion bushels, are up 12 percent from a year ago. The December 2005 - February 2006 indicated disappearance is 2.83 billion

bushels, compared with 2.70 billion bushels during the same period last year.

Soybeans stored in all positions on March 1, 2006 totaled 1.67 billion bushels, up 21 percent from March 1, 2005. This is the largest March 1 stocks level on record, exceeding the previous record set in 1999 by 1 percent. Soybean stocks stored on farms are estimated at a record high 872 million bushels, up 10 percent from a year ago. Off-farm stocks, at 797 million bushels, are up 36 percent from last March and are also at a record high level. Indicated disappearance for the December 2005 - February 2006 quarter totaled 834 million bushels, down 10 percent from the same period a year earlier.

Oats stored in all positions on March 1, 2006 totaled 74.7 million bushels, 9 percent below the stocks on March 1, 2005. Of the total stocks on hand, 41.9 million bushels are stored on farms, down 4 percent from a year ago. Off-farm stocks totaled 32.8 million bushels, down 16 percent from the previous year. Indicated disappearance during December 2005 - February 2006 totaled 21.0 million bushels, down 7 percent from the same period a year ago.

### Stocks of Grain, March 1, Iowa and United States

Position and Grain	Iowa			United States		
	March 1 2005	March 1 2006	'06 as % of '05	March 1 2005	March 1 2006	'06 as % of '05
	<i>1,000 Bushels</i>	<i>1,000 Bushels</i>	<i>Percent</i>	<i>1,000 Bushels</i>	<i>1,000 Bushels</i>	<i>Percent</i>
<b>On-Farm Stocks</b>						
Corn	1,000,000	950,000	95	4,137,000	4,055,000	98
Soybeans	165,000	200,000	121	795,000	872,000	110
Oats	2,300	2,200	96	43,500	41,900	96
Wheat	*	*	*	304,710	256,000	84
<b>Off-Farm Stocks<sup>1</sup></b>						
Corn	533,373	589,286	110	2,619,334	2,932,178	112
Soybeans	124,142	169,775	137	586,364	796,555	136
Oats	6,617	4,903	74	38,946	32,812	84
Wheat	*	*	*	679,681	716,240	105
<b>Total Stocks</b>						
Corn	1,533,373	1,539,286	100	6,756,334	6,987,178	103
Soybeans	289,143	369,775	128	1,381,364	1,668,555	121
Oats	8,917	7,103	80	82,446	74,712	91
Wheat	*	*	*	984,391	972,240	99

<sup>1</sup> Includes stocks at mills, elevators, warehouses, terminals, and processors.

\* Data not published to avoid disclosure of individual operations.

### Commercial Red Meat Production: United States <sup>1</sup>

Class	Feb 2005	Jan 2006	Feb 2006	Feb 06 % of		Jan - Feb <sup>2</sup>		
				Feb 2005	Jan 2006	2005	2006	06 as % of 05
	<i>Million Pounds</i>	<i>Million Pounds</i>	<i>Million Pounds</i>	<i>Percent</i>	<i>Percent</i>	<i>Million Pounds</i>	<i>Million Pounds</i>	<i>Percent</i>
Beef	1,767	2,044	1,825	103	89	3,683	3,869	105
Veal	12.0	12.5	11.7	97	94	25.4	24.2	95
Pork	1,629	1,817	1,633	100	90	3,334	3,450	103
Lamb & Mutton	15.1	16.2	14.7	97	91	29.6	30.9	104
Total Red Meat	3,424	3,890	3,484	102	90	7,072	7,374	104

<sup>1</sup> Based on packers' dressed weights and excludes farm slaughter.

<sup>2</sup> Accumulated totals and percentages based on unrounded data.

### Milk Production

**Iowa:** Milk production in Iowa in February totaled 326 million pounds, up 6.2 percent from February 2005. The average number of milk cows, 200,000 head, was 10,000 head above January 2005. Production per cow averaged 1,630 pounds, up 15 pounds from one year ago.

#### Milk Cows and Production: By Selected States, February 2005-2006

State	Milk Cows <sup>1</sup>		Milk Per Cow <sup>2</sup>		Milk Production <sup>2</sup>		
	2005	2006	2005	2006	2005	2006	'06 as % of '05
	<i>1,000 Head</i>	<i>1,000 Head</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Million Pounds</i>	<i>Million Pounds</i>	<i>Percent</i>
CA	1,742	1,781	1,635	1,705	2,848	3,037	6.6
IL	105	104	1,500	1,540	158	160	1.3
<b>IA</b>	190	200	1,615	1,630	307	326	6.2
MN	455	450	1,405	1,480	639	666	4.2
MO	117	114	1,230	1,320	144	150	4.2
WI	1,234	1,240	1,400	1,455	1,728	1,804	4.4
23-State Total <sup>3</sup>	8,084	8,205	1,522	1,588	12,301	13,029	5.9

<sup>1</sup> Includes dry cows, excludes heifers not yet fresh.

<sup>2</sup> Excludes milk sucked by calves.

<sup>3</sup> The 23 States are Arizona, California, Colorado, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, New Mexico, New York, Ohio, Oregon, Pennsylvania, Texas, Vermont, Virginia, Washington, and Wisconsin.