Agri-News

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2005 Annual Crop Summary

IOWA: Corn for grain production during 2005 was estimated 2.16 billion bushels, down less than one percent from the November 1 forecast, and down 4 percent from 2004's record production. Iowa's producers averaged 173 bushels per acre, down 2 bushels from the November 1 forecast, and 8 bushels per acre lower than last year's record yields. This yield is the second highest on record. Acres harvested for grain increased 50,000 acres from the previous forecast to 12.5 million acres, nearly 1 percent over 2004. Corn planted for all purposes in Iowa remains at 12.8 million acres, up almost 1 percent from 2004.

Corn for silage production was estimated at 4.26 million tons, down 5 percent from 2004. The silage yield estimate of 18.5 per acre compares to 19.5 tons per acre in 2004. Producers harvested 230,000 acres of corn for silage, equal to the acres harvested for silage in 2004.

Soybean production was estimated at 533 million bushels in 2005, unchanged from the November 1 forecast, but up 7 percent from 2004 and is the highest production on record. Iowa's producers averaged 53 bushels per acre, unchanged from the November 1 forecast, but 4 bushels more than last year's yield of 49.0 bushels per acre. This is the highest yield on record for Iowa, surpassing the 1994 record yield of 50.5 bushels per acre. The harvested acreage is unchanged from the previous forecast of 10.1 million acres, but is 1 percent less than the 2004 estimate. Planted acreage of soybeans was 10.1 million acres, also down 1 percent from 2004.

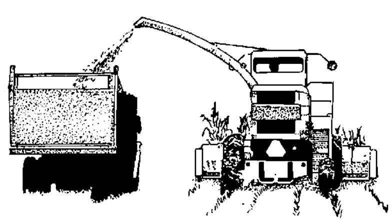
All hay production for the state was estimated at 5.86 million tons, down 6 percent from the 6.24 million tons produced in 2004. Producers averaged 3.90 tons per acre. Harvested acres for hay was estimated at 1.60 million acres, unchanged from the previous year.

Alfalfa and alfalfa mixtures production was estimated at 5.13 million tons, down nearly 6 percent from 2004. Producers averaged 4.1 tons per acre. Harvested acres decreased by 4percent to 1.25 million acres compared to last year. Iowa producers seeded 150,000 acres of alfalfa in 2005, down from 170,000 acres the previous year.

Other hay production was estimated at 735,000 tons, 6 percent below the previous year's production. Producers averaged 2.10 tons per acre, down 9 percent from 2004; while harvesting 350,000 acres of other hay, up 50,000 acres from the previous year.

UNITED STATES: Corn for grain production is estimated at 11.1 billion bushels, up1 percent from the November forecast but down 6 percent from the 11.8 billion bushels produced in 2004. The average U.S. grain yield is estimated at 147.9 bushels per acre, down 0.5 bushel from the November forecast and down 12.5 bushels from 2004. The 2005 production and yield estimates are the second largest on record, behind last year. Area harvested for grain, at 75.1 million acres, is up 2 percent from 2004.

Soybean production in 2005 totaled 3.09 billion bushels, the second largest U.S. soybean crop on record. This is up 1 percent from the November forecast but 1 percent below the record-setting 2004 crop. The average yield per acre is estimated at a record high 43.3 bushels, 0.6 bushel above the November forecast and 1.1 bushels above the 2004 final yield. Harvested area is down 4 percent from 2004, to 71.4 million acres.



ECONOMIST CORNER

Livestock by Shane Ellis and Grains by Robert Wisner
Iowa Cooperative Extension Service – Ames

LIVESTOCK

Looking back, 2005 was a great year for both cattle and swine producers. **Cattle** feeders also did well despite the high price of feeder cattle. The monthly Iowa Estimated Returns, to feedlots finishing yearling steers, indicates profits were positive 8 out of the 12 months with a monthly average profit of about $16 per head in 2005. Cattle prices usually do peak in the winter, when colder weather hinders rates of gain, and stay relatively constant until late May, when a seasonal slump occurs. Feedlots also have more cattle on feed now than they did a year ago, up 1 percent. Feedlots continue to feed cattle to higher weight as corn is cheap and plentiful. With heavier carcass weights and more cattle being fed, the supply of beef is on the rise. Demand will hopefully gain support from the newly reopening Asian markets.

Pork producers appear to be almost holding their breath as the hog market skates over what should be a slump according to the historic price cycles. The latest hog and pig report, released last month, indicates a small 0.7% increase in the national breeding herd, while the Iowa breeding herd remained constant. The actual supply of pork is increasing as the average litter size increases, providing more feeder pigs that are taken to a higher finish weight. The Iowa Estimated Returns for farrow-to-finish operations last year were positive in all months at an average profit of $22.50 per finished hog. Demand for pork was steady in the first three quarters of last year and actually increased as prices came down in the fourth quarter. The futures market suggests a steadily increasing trend in price into the early summer months, and Iowa State University forecasts place live hog prices in the $47-50 range for the first two quarters of 2006.

GRAINS

Corn price volatility will be tempered this winter by disappointing export prospects and indications that carryover stocks next September 1 will represent about a three-month supply. Cash prices are likely to strengthen modestly into the second or third week of February, then pause briefly before trending irregularly upward into the planting season. Late winter prices may weaken briefly as farmers increase their marketings to meet sharply higher costs than a year earlier for fertilizer, fuel and other production expenses. Low subsoil moisture in the northern half of Illinois, the southern half of Iowa, and parts of Nebraska will increase the chance for stronger old and new-crop prices during the spring. Cumulative U.S. corn export sales from September 1, 2005 through January 5, 2006 were down six percent from a year earlier.

Soybean prices for the next three months will be sensitive to changing crop conditions in Brazil and Argentina. In mid-January, the soybean crop in both countries appeared to be in generally good condition and dry areas had just received rain. Current projections indicate the crop in these two countries may be 237 million bushels above last year’s upward-revised production. Like corn, potential price strength will be tempered by the large projected U.S. soybean carryover stocks. Cumulative soybean export sales through January 5 were down 27 percent from a year earlier, reflecting foreign buyer nervousness about bird flu and stronger than expected competition from South America.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Dec [1] 2004	IOWA Nov [1] 2005	IOWA Dec [2] 2005	U.S. Nov [1] 2005	U.S. Dec [2] 2005
		Dollars				
Corn	Bu.	1.99	1.74	1.85	1.77	1.88
Oats	Bu.	1.69	1.84	1.85	1.63	1.73
Soybeans	Bu.	5.32	5.58	5.65	5.62	5.71
Alfalfa, baled	Ton	85.00	81.00	82.00	97.50	97.70
All Hay, baled	Ton	82.00	80.00	80.00	91.70	92.00
All Hogs	Cwt.	54.10	44.90	47.20	43.60	45.50
Sows	Cwt.	46.20	37.70	38.80	37.00	38.20
Brw & Gilts	Cwt.	54.20	45.00	47.30	43.90	45.80
Beef Cattle	Cwt.	90.90	93.50	95.60	91.30	92.70
Cows	Cwt.	47.30	47.10	49.00	46.00	46.60
Strs & Hfrs	Cwt.	91.80	94.40	96.50	97.30	99.10
Calves	Cwt.	118.00	133.00	134.00	133.00	135.00
Milk Cows [3]	Hd.	-	-	-	-	-
Milk (whls)	Cwt.	16.80	16.20	15.40	15.10	14.70
Sheep	Cwt.	44.80	48.10	-	45.40	-
Lambs	Cwt.	95.00	91.10	-	107.00	-
Eggs (mkt)	Doz.	0.400	0.433	0.491	0.482	0.564

[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.

Price Index Summary Table

Prices Received	IOWA Dec 2004	IOWA Nov 2005	IOWA Dec 2005	UNITED STATES Dec 2004	UNITED STATES Nov 2005	UNITED STATES Dec [1] 2005
	1990-92=100 [2]					
Prices rec'd	107	103	106	111	113	114
Crops	92	87	90	104	105	109
Lvstk Prods.	122	119	121	120	121	119
	1910-14=100 [3]					
Prices rec'd	-	-	-	708	716	722
Crops	-	-	-	514	518	536
Lvstk Prods.	-	-	-	918	929	916

[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	Dec 2004	Nov 2005	Dec 2005	Dec 2004	Nov 2005	Dec 2005
	1990-92=100			1910-14=100		
Prices Paid [1]	134	143	143	1,786	1,901	1,902
Feed	109	114	115	531	559	562
Ratio [2]	83	79	80	40	38	38

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

Grain Stocks

Iowa: Corn stocks in all positions on December 1 totaled 2.00 billion bushels, down almost 3 percent from December 1, 2004. Of the total stocks, 65 percent were stored on farms. The September-November 2005 indicated disappearance was 652 million bushels, up 55 percent from the previous year's 420 million bushels during the same period.

Soybeans stored in all positions on December 1 totaled 483 million bushels, up 13 percent from December 1, 2004. Of the total stocks, 51 percent were stored on farms. The September-November 2005 indicated disappearance totaled 107 million bushels, up 7 percent from the previous year's 101 million bushels during the same quarter.

Oat stocks in all positions on December 1 totaled 6.45 million bushels. Of the total stocks, 39 percent were stored on farms.

United States: Corn stocks in all positions on December 1, 2005 totaled 9.81 billion bushels, up 4 percent from December 1, 2004. Of the total stocks, 6.33 billion bushels are stored on farms, up 3 percent from a year earlier. Off-farm stocks, at 3.49 billion bushels, are up 5 percent from a year ago. The September - November 2005 indicated disappearance is 3.41 billion bushels, compared with 3.31 billion bushels during the same period last year.

Soybeans stored in all positions on December 1, 2005 totaled 2.50billion bushels, up 9 percent from December 1, 2004. Soybean stocks stored on farms totaled 1.35 billion bushels, up 3 percent from a year ago. Off-farm stocks, at 1.16 billion bushels, are up 15 percent from last December. Indicated disappearance for September - November 2005 totaled 840 million bushels, down 10 percent from the same period a year earlier.

All wheat stored in all positions on December 1, 2005 totaled 1.43 billion bushels, down slightly from a year ago. On-farm stocks are estimated at 513 million bushels, down 3 percent from last December. Off-farm stocks, at 917 million bushels, are up 2 percent from a year ago. The September - November 2005 indicated disappearance is 494 million bushels, down 3 percent from the same period a year earlier.

Oats stored in all positions on December 1, 2005 totaled 95.7 million bushels, 9 percent below the stocks on December 1, 2004. Of the total stocks on hand, 60.1 million bushels are stored on farms, down slightly from a year ago. Off-farm stocks totaled 35.6 million bushels, down 20 percent from the previous year. Indicated disappearance during September - November 2005 totaled 17.8 million bushels, up 64 percent from the same period a year ago.

Stocks of Grain and Storage Capacity, December 1, Iowa and United States

Position and Grain	Iowa			United States		
	December 1 2004	December 1 2005	'05 as % of '04	December 1 2004	December 1 2005	'05 as % of '04
	1,000 Bushels	*1,000 Bushels*	*Percent*	*1,000 Bushels*	*1,000 Bushels*	*Percent*
On-Farm Stocks & Capacity						
Corn	1,300,000	1,300,000	100	6,144,000	6,325,000	103
Soybeans	227,000	245,000	108	1,300,000	1,345,000	103
Oats	2,500	2,500	100	60,400	60,100	100
Wheat, all	*	*	*	531,020	513,000	97
Storage Capacity	1,700,000	1,720,000	101	11,210,000	11,355,000	101
Off-Farm Stocks & Capacity [1]						
Corn	747,022	695,802	93	3,308,488	3,487,835	105
Soybeans	200,347	238,014	119	1,004,640	1,157,389	115
Oats	7,079	3,952	56	44,513	35,635	80
Wheat, all	*	*	*	899,306	916,531	102
Storage Capacity	1,055,000	1,055,000	100	8,521,156	8,530,179	100
Total Stocks & Capacity						
Corn	2,047,022	1,995,802	97	9,452,488	9,812,835	104
Soybeans	427,347	483,014	113	2,304,640	2,502,389	109
Oats	9,579	6,452	67	104,913	95,735	91
Wheat, all	*	*	*	1,430,326	1,429,531	100
Storage Capacity	2,755,000	2,775,000	101	19,713,179	19,876,156	101

[1] Includes stocks at mills, elevators, warehouses, terminals, and processors.
* Data not published to avoid disclosure of individual operations.

U.S. Corn Supply and Demand

CORN	2003-2004	2004-2005 (Est.)	2005-2006 [1] Projections January
	Million Bushels	*Million Bushels*	*Million Bushels*
Beginning Stocks	1,087	958	2,114
Production	10,089	11,807	11,112
Imports	14	11	10
Supply, total	11,190	12,776	13,236
Feed & Residual	5,795	6,162	6,000
Food, Seed & Industrial	2,537	2,686	2,960
Domestic, total	8,332	8,848	8,960
Exports	1,900	1,814	1,850
Use, total	10,232	10,662	10,810
Ending Stocks, total	958	2,114	2,426
Avg. farm price ($/bu)	2.42	2.06	1.75-2.05

[1] Preliminary

U.S. Soybean Supply and Demand

SOYBEANS	2003-2004	2004-2005 (Est.)	2005-2006 [1] Projections January
	Million Bushels	*Million Bushels*	*Million Bushels*
Beginning Stocks	178	112	256
Production	2,454	3,124	3,086
Imports	6	6	4
Supply, total	2,638	3,242	3,346
Crushings	1,530	1,696	1,730
Exports	887	1,103	950
Seed	92	88	90
Residual	17	99	71
Use, total	2,525	2,986	2,841
Ending stocks	112	256	505
Avg. farm price ($/bu)	7.34	5.74	5.10-5.80

[1] Preliminary

Iowa - Acreage, Yield and Production, 2004-2005

Crop	Acres Harvested		Yield Per Acre		Production	
	2004	2005	2004	2005	2004	2005
	1,000 Acres	*1,000 Acres*	*Bushels*	*Bushels*	*1,000 Bushels*	*1,000 Bushels*
Corn, grain	12,400	12,500	181.0	173.0	2,244,400	2,162,500
Corn, silage [1]	230	230	19.5	18.5	4,485	4,255
Oats, grain	140	125	72.0	79.0	10,080	9,875
Soybeans	10,150	10,050	49.0	53.0	497,350	532,650
Hay, all [1]	1,600	1,600	3.90	3.66	6,240	5,860
Alfalfa [1]	1,300	1,250	4.20	4.10	5,460	5,125
All other [1]	300	350	2.60	2.10	780	735
Wheat, all	24	15	55.0	50.0	1,320	750

[1] Yield in tons and production in thousand tons.

U.S. - Acreage, Yield and Production, 2004-2005

Crop	Acres Harvested		Yield Per Acre		Production	
	2004	2005	2004	2005	2004	2005
	1,000 Acres	*1,000 Acres*	*Bushels*	*Bushels*	*1,000 Bushels*	*1,000 Bushels*
Corn, grain	73,631	75,107	160.4	147.9	11,807,086	11,112,072
Corn, silage [1]	6,101	5,920	17.6	18.0	107,293	106,311
Oats, grain	1,787	1,823	64.7	63.0	115,695	114,878
Soybeans	73,958	71,361	42.2	43.3	3,123,686	3,086,432
Hay, all [1]	61,966	61,649	2.55	2.44	158,247	150,590
Alfalfa [1]	21,707	22,389	3.48	3.38	75,481	75,771
All other [1]	40,259	39,260	2.06	1.91	82,766	74,819
Wheat, all	49,999	50,119	43.2	42.0	2,158,245	2,104,690

[1] Yield in tons and production in thousand tons.

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