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MILK PRODUCTION JULY 2006

Milk production in Colorado during July 2006 totaled 220 million pounds, up 14 million pounds from the 206 million pounds produced during the same period a year earlier. The average number of milk cows for July of this year was 112,000 head, up 7,000 head from July 2005. Production per cow averaged 1,960 pounds for July, which remained unchanged from a year ago.

Milk production in the 23 major States during July totaled 13.9 billion pounds, up 1.5 percent from July 2005. June revised production, at 14 billion pounds, was up 1.9 percent from June 2005. The June revision represented an increase of 6 million pounds from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,686 pounds for July, 3 pounds above July 2005. The number of milk cows on farms in the 23 major States was 8.26 million head, 107,000 head more than July 2005, but 11,000 head less than June 2006.

Milk Cows and Milk Production, 23 States

Item	Unit	2005	2006
Colorado:			
Milk Cows <u>1</u> /.....	1,000 head	105	112
Milk Per Cow <u>2</u> /.....	Lbs.	1,960	1,960
Production <u>2</u> /.....	Mil. lbs.	206	220
United States:			
Milk Cows <u>1</u> /.....	1,000 head	8,151	8,258
Milk Per Cow <u>2</u> /.....	Lbs.	1,683	1,686
Production /.....	Mil. Lbs.	13,715	13,919

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

LAND VALUES 2006

The farm real estate value of all land and buildings in Colorado averaged \$1,090 per acre as of January 1, 2006, up 16 percent from the previous year. The average value of all

cropland, at \$1,240 per acre, increased 6 percent while the average value of pastureland increased 29.0 percent from the previous year to \$800 per acre. The average value of irrigated cropland advanced 12 percent to \$2,800 per acre and the value of non-irrigated land increased 11.5 percent to \$725 per acre.

Farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$1,900 per acre on January 1, 2006, up 15 percent from 2005. The \$1,900 per acre is a record high and \$250 more than a year earlier. Cropland and pasture values rose by 13 and 22 percent, respectively, since January 1, 2005. Cropland values averaged \$2,390 per acre and pasture values averaged \$1,000 per acre on January 1, 2006, compared with \$2,110 and \$820 per acre, respectively, a year earlier.

The increase in farm real estate values continues to be driven by a combination of mostly nonagricultural factors, including relative low interest rates and strong demand for nonagricultural land uses. Demand for farm real estate as an investment continues to be a strong market influence. Regional increases in the average value of farm real estate ranged from 8.9 percent in the Delta region to 35 percent in the Mountain region. The highest farm real estate values are in the Northeast region, where urban influences have pushed the average value to \$4,550 per acre. In the Corn Belt region farm real estate values rose 12 percent, to \$3,040 per acre. The Northern Plains region, with its expanse of pasture and rangeland, had the lowest farm real estate value, at \$834 per acre.

The Southeast region had the highest average increase in cropland value, at \$4,550, up \$890 per acre. In the Corn Belt region cropland values rose 12 percent, to \$3,230 per acre. The Lake States region also increased 12 percent, to \$2,550 per acre. Together, the Corn Belt and Lake States regions account for nearly one-third of the U.S. total cropland acres. The Southeast region had the highest average increase in pasture value, up \$1,510 per acre. In the Northern Plains, Southern Plains, Mountain, and Pacific regions (17 western states) pasture values per acre increased 15 percent, 24 percent, 54 percent, and 13 percent, respectively. Together, the 17 western states account for about 89 percent of the total pasture acres on farms in the 48 States.

CROP PRODUCTION AUGUST 1, 2006 COLORADO HIGHLIGHTS

Colorado's spring and summer crop prospects are reduced compared with last year's results. Dryland crops such as

winter wheat have suffered from hot, dry conditions since May. Additional water restrictions for irrigation also played a role in the diminished outlook.

Winter wheat production remains forecast at 42.0 million bushels, unchanged from the July 1 forecast but down 20 percent from the 2005 crop. Growers harvested an estimated 2.0 million acres this year with an average yield of 21.0 bushels per acre, the lowest since 1968. This is down from 2.2 million acres harvested and an average yield of 24.0 bushels per acre a year earlier. **Barley** production is forecast at 5.6 million bushels, down 27 percent from last year's crop of 7.7 million bushels. The area for harvest in 2006, at 45,000 acres, is down from last year by 14,000 acres. Barley yield is estimated at 125.0 bushels per acre, 5.0 bushels below last year's average but unchanged from the July 1 forecast.

Corn production is initially forecast at 129.4 million bushels, down 8 percent from last year's 140.6 million bushels. The 840,000 acres expected to be harvested for grain this year is 12 percent less than a year ago. Average yield is expected to rise 6.0 bushels per acre from last year to 154.0 as growers expect to harvest a larger proportion of irrigated corn in 2006. **Sorghum** production in 2006 is forecast at 3.6 million bushels, 6 percent larger than the 3.4 million bushel crop harvested a year earlier as an increase in expected acreage harvested for grain more than offset a decrease in yield. Growers expect to harvest 120,000 acres this year, up from 110,000 acres harvested last year. Yield prospects are slightly less than a year ago as producers expect to average 30.0 bushels per acre this year compared with 31.0 bushels per acre for the 2005 crop. **Dry bean** production for 2006 is forecast at 1.33 million hundredweight, down 30 percent from the 1.90 million hundredweight produced a year earlier. Growers expect to harvest 70,000 acres this year, down from 115,000 acres last year. **Sugarbeet** production is forecast at 886,000 tons, up 6 percent from 833,000 tons produced in 2006. Growers expect to harvest 38,500 acres this year compared with 34,300 a year ago. Yields are expected to average 23.0 tons per acre, down from 24.3 a year ago. Colorado farmers and ranchers expect to harvest 770,000 acres of **Alfalfa hay** this year, down from 800,000 acres harvested in 2005. They also expect to harvest 770,000 acres of **Other hay** in 2006, compared with 750,000 acres harvested last year. Alfalfa production is forecast at 2.46 million tons compared with 2.96 million tons produced in 2005 and other hay is estimated at 1.16 million tons, up slightly from 1.13 million tons a year ago.

Colorado's **Apple** production for this year is forecast at 16.0 million pounds, down 48 percent from a year earlier due to late frosts that occurred in the major growing areas. The 2006 **Peach** crop is expected to decrease 1,000 tons from last year to 11,000 tons. **Pear** production is forecast at 2,400 tons, down from 2,500 tons produced a year ago.

UNITED STATES HIGHLIGHTS

All wheat production, at 1.80 billion bushels, is down slightly from the July forecast and down 14 percent from 2005. Based on August 1 conditions, the U.S. yield is forecast at 38.3 bushels per acre, unchanged from last month but

3.7 bushels below last year. **Winter wheat** production is forecast at 1.28 billion bushels, up slightly from last month but 14 percent below 2005. Area harvested for grain totals 31.1 million acres, unchanged from last month but down 8 percent from last year. The U.S. yield is forecast at 41.2 bushels per acre, up 0.1 bushel from July 1. **Durum wheat** production is forecast at 54.7 million bushels, down 9 percent from last month and down 46 percent from 2005. The U.S. yield is forecast at 30.0 bushels per acre, 3.1 bushels less than last month and down 7.2 bushels from last year. Area harvested for grain totals 1.82 million acres, unchanged from last month but down 33 percent from last year. If realized, this will be the lowest harvested area since 1961 and the lowest production since 1988. Other **Spring wheat** production is forecast at 464 million bushels, down slightly from last month and 8 percent below 2005. Area harvested for grain totals 14.2 million acres, unchanged from last month but up 4 percent from last year. The U.S. yield is forecast at 32.7 bushels per acre, 0.2 bushel less than last month and down 4.4 bushels from 2005. Of the total production, 423 million bushels are Hard Red Spring wheat, down less than 1 percent from last month.

Barley production for 2006 is forecast at 183 million bushels, 14 percent below 2005, four percent below the July 1 forecast, and the lowest production since 1936. Based on conditions as of August 1, the average yield is forecast at 61.2 bushels per acre, down 3.6 bushels from last year and 2.2 bushels below last month. Area for harvest, at 2.99 million acres, is down 9 percent from 2005 and the lowest since 1885. Hot, dry weather in most barley-growing regions has depleted soil moisture, causing crop condition to deteriorate and limiting the yield potential. **Corn** planted area for all purposes, at 79.4 million acres, is unchanged from June but down 3 percent from 2005. Growers expect to harvest 72.1 million acres for grain, also unchanged from June but down 4 percent from last year. As of July 30, fifty-six percent of the crop was rated in good to excellent condition in the 18 major corn producing States, up 3 percentage points from a year ago.

The area planted to **Soybeans**, at 74.9 million acres, is unchanged from June but up 4 percent from last year and is the second largest on record. Producers expect to harvest 73.9 million acres, unchanged from June but up 4 percent from the 2005 acreage. Planted area and harvested area, if realized, are both the second largest on record. As of July 30, fifty-three percent of the U.S. soybean crop was rated good to excellent, 1 percentage point below the same week in 2005. U.S. **Dry edible beans** production is forecast at 23.3 million cwt in 2006, down 15 percent from last year but 31 percent above two years ago. Acreage adjustments since the June Acreage Report increased planted acreage estimates 3 percent and harvested expectations up 4 percent. Planted area is now estimated at 1.61 million acres, 3 percent below last year but up 19 percent from two years ago. Harvested acreage is forecast at 1.52 million acres, down 3 percent from last year but 25 percent above 2004. The average U.S. yield is forecast

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Acres, yield, and production, Colorado and United States, 2005-2006

Area and Crop	Planted Acres		Harvested Acres		Unit	Yield Per Acre		Production	
	2005	2006	2005	2006		2005	2006	2005	2006
	1,000 acres		1,000 acres			Units per acre		1,000 units	
Colorado:									
All Corn <u>1/</u>	1,100	1,000	950	840	Bu.	148.0	154.0	140,600	129,360
All Sorghum <u>1/</u>	160	200	110	120	Bu.	31.0	30.0	3,410	3,600
All Wheat	2,570	2,420	2,219	2,019	Bu.	24.4	<u>5/</u>	54,035	<u>5/</u>
Winter Wheat	2,550	2,400	2,200	2,000	Bu.	24.0	21.0	52,800	42,000
Spring Wheat.....	20	20	19	19	Bu.	65.0	<u>5/</u>	1,235	<u>5/</u>
Oats.....	75	85	15	15	Bu.	75.0	<u>5/</u>	1,125	<u>5/</u>
Barley	60	50	59	45	Bu.	130.0	125.0	7,670	5,625
Proso Millet.....	290	290	275	<u>4/</u>	Bu.	20.0	<u>4/</u>	5,500	<u>4/</u>
All Hay .....	...	...	1,550	1,540	Tons	2.64	2.35	4,085	3,619
Alfalfa Hay .....	...	...	800	770	Tons	3.70	3.20	2,960	2,464
Other Hay .....	...	...	750	770	Tons	1.50	1.50	1,125	1,155
Sugarbeets	36.4	43.6	34.3	38.5	Tons	24.3	23.0	833	886
Dry edible beans.....	125.0	80.0	115.0	70.0	Cwt.	1,650	1,900	1,898	1,330
Sunflowers, All.....	215	140	205	122	Lbs.	1,279	<u>6/</u>	262,250	<u>6/</u>
Sunflowers, Oil.....	150	100	145	85	Lbs.	1,250	<u>4/</u>	181,250	<u>4/</u>
Sunflowers, Non-Oil	65	40	60	37	Lbs.	1,350	<u>4/</u>	81,000	<u>4/</u>
All potatoes.....	63.2	64.3	62.8	64.0	Cwt.	760	<u>7/</u>	24,130	<u>7/</u>
Summer potatoes	5.0	4.4	4.9	4.3	Cwt.	375	370	1,838	1,591
Fall potatoes.....	58.2	59.9	57.9	59.7	Cwt.	385	<u>7/</u>	22,292	<u>7/</u>
Apples.....	...	...	...	...	Lbs.	...	...	31,000	16,000
Peaches .....	...	...	...	...	Tons	...	...	12.0	11.0
Pears .....	...	...	...	...	Tons	...	...	2.5	2.4
United States:									
All Corn <u>1/</u>	81,759	79,366	75,107	72,091	Bu.	147.9	152.2	11,112,072	10,975,740
All Sorghum <u>1/</u>	6,454	6,282	5,736	5,317	Bu.	68.7	55.8	393,893	296,453
All Wheat <u>2/</u>	57,229	57,873	50,119	47,084	Bu.	42.0	38.3	2,104,690	1,801,355
Winter Wheat	40,433	41,393	33,794	31,108	Bu.	44.4	41.2	1,499,129	1,283,134
Spring Wheat.....	14,036	14,595	13,609	14,154	Bu.	37.1	32.7	504,456	463,511
Oats.....	4,246	4,312	1,823	1,907	Bu.	63.0	56.3	114,878	107,423
Barley	3,875	3,496	3,269	2,990	Bu.	64.8	61.2	211,896	182,972
Rye.....	1,433	1,378	279.0	259.0	Bu.	27.0	<u>5/</u>	7,537	<u>5/</u>
Proso Millet.....	565	575	515	<u>4/</u>	Bu.	26.3	<u>4/</u>	13,545	<u>4/</u>
All Hay .....	...	...	61,649	62,697	Tons	2.44	2.27	150,590	142,326
Alfalfa Hay .....	...	...	22,389	22,407	Tons	3.38	3.18	75,771	71,205
Other Hay .....	...	...	39,260	40,290	Tons	1.91	1.77	74,819	71,121
Sugarbeets	1,299.8	1,362.8	1,242.9	1,344.2	Tons	22.2	23.7	27,537	31,835
Dry edible beans.....	1,665.0	1,607.3	1,568.6	1,519.0	Cwt.	1,744	1,534	27,350	23,301
Sunflowers, All.....	2,709	1,900	2,610	1,797	Lbs.	1,540	<u>6/</u>	4,018,355	<u>6/</u>
Sunflowers, Oil.....	2,104	1,575	2,032	1,493	Lbs.	1,564	<u>4/</u>	3,177,635	<u>4/</u>
Sunflowers, Non-Oil	605	325	578	304	Lbs.	1,455	<u>4/</u>	840,720	<u>4/</u>
All potatoes <u>3/</u>	1,110.0	1,138.0	1,087.4	1,118.4	Cwt.	388	<u>7/</u>	422,209	<u>7/</u>
Summer potatoes	53.4	58.7	51.4	56.8	Cwt.	342	330	17,567	18,731
Fall potatoes.....	968.6	990.5	949.5	974.4	Cwt.	401	<u>7/</u>	381,026	<u>7/</u>
Soybeans.....	72,142	74,930	71,361	73,935	Bu.	43.3	39.6	3,086,432	2,927,634
Apples.....	...	...	...	...	Lbs.	...	...	9,864,900	9,619,700
Peaches .....	...	...	...	...	Tons	...	...	1,184.6	1,053.8
Pears .....	...	...	...	...	Tons	...	...	825.3	835.3

1/ Planted for all purposes; harvested for grain. 2/ Includes Durum Wheat. 3/ Includes Winter and Spring Crops.
4/ Jan. 2007. 5/ September 29, 2006. 6/ October 12, 2006. 7/ November 9, 2006.

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at 1,534 pounds per acre, a decrease of 210 pounds from last year but 75 pounds more than two years ago. Production is expected to be below last year in 11 of the 18 producing States. These decreases are mostly the result of lower yields. Ten of the 18 States also have lower harvested acreage than last year.

Sugarbeets production for 2006 is forecast to be 31.8 million tons, 16 percent above last year's production. Growers in the 11 sugarbeet-producing states expect to harvest 1.34 million acres, up 2 percent from June and up 8 percent from last year. The yield is forecast at 23.7 tons per acre, 1.5 tons above 2005.

Alfalfa and alfalfa mixtures production is forecast at 71.2 million tons, down 6 percent from last year. Yields are expected to average 3.18 tons per acre, down 0.20 ton from 2005. Harvested area is forecast at 22.4 million acres, unchanged from June but up fractionally from last year. **Other hay** production is forecast at 71.1 million tons, down 5 percent from 2005. Based on August 1 conditions, yields are expected to average 1.77 tons, down 0.14 ton from last year. If realized, the yield would be the lowest since 1990. Harvested area, at 40.3 million acres, is unchanged from June but up 3 percent from the previous year. Very dry conditions during the spring and early summer contributed to decreased yield expectations across the Great Plains.

The first production forecast for the 2006 **Apple** crop year is 9.62 billion pounds, down 2 percent from last year and 8 percent below 2004. Compared with 2005, production decreases in the Central and Western States offset a projected increase in the Eastern States. The August 2006 forecast of **Peach** production is 1.05 million tons, down less than 1 percent from the July 1 forecast and 11 percent below 2005. Michigan's forecast, at 14,000 tons, is up 500 tons from July 1. New Jersey's expectations were raised from 35,000 tons to 36,000 tons. South Carolina's forecast decreased from 60,000 tons to 55,000 tons, while Pennsylvania dropped 1,000 tons to 28,500 tons. **Pear** production for 2006 is forecast at 835,310 tons, up 1 percent from last year but 5 percent below 2004. Bartlett pear production for California, Oregon, and Washington is forecast at 425,000 tons, 3 percent below the June forecast but 9 percent more than a year ago. Other pear production in the Pacific Coast States is expected to total 385,000 tons, 8 percent below last year and 2 percent below 2004.

CASH RENTS

Cash rent for **Colorado** cropland in 2006 remained unchanged from a year earlier at \$61 per acre. The average cash rent for irrigated cropland, at \$100 per acre, also was unchanged from the previous year as well as cash rent for non-irrigated cropland at \$23.00 per acre. Pastureland rented for cash averaged \$4.00 per acre in 2006, down from \$4.30 the previous year.

Cash rents paid to landlords for cropland in the U.S. rose 1.3 percent while pasture rents increased 4.9 percent for 2006

crop and grazing year. Cropland cash rents paid in 2006 averaged \$79.00 per acre, compared with \$78.00 per acre for 2005. Pasture cash rents averaged \$10.80 per acre, 50 cents higher than the \$10.30 per acre in 2005. The increases in cropland and pasture rental rates continue to reflect producers' optimism following the combination of high production and price levels of major U.S. agricultural commodities in 2005.

Cropland cash rents reported in 2006 increased in all regions except the Appalachian, Delta, and Southern Plains regions where rental rates declined marginally. Appalachian cropland cash rents declined by \$2.00 from \$58.00 to \$56.00 per acre in 2006. Delta cropland cash rents decreased by \$1.00 per acre to \$69.50 in 2006 while cropland cash rents in the Southern Plains decreased by \$1.50 to \$29.00 per acre for 2006. Cash rents for cropland in the Southeast region at \$48.00 per acre remained unchanged from last year. The Corn Belt and Northern Plains regions, which together accounted for slightly more than one half of cash-rented cropland acreage, increased 1.7 percent and 0.9 percent respectively from 2005. Cropland cash rents increased \$2.00 per acre to \$119.00 in the Corn Belt and 50 cents per acre to \$53.50 in the Northern Plains. The major corn and soybean producing States of Illinois, Indiana, and Iowa experienced increases ranging from 1.5 to 2.3 percent for cropland cash rents. Illinois and Iowa cropland cash rents averaged \$132.00 and \$133.00 per acre, respectively.

Cash rents for pasture land increased in all regions except the Southern Plains. Pasture cash rents increased by \$1.00 per acre to \$20.00 in the Southeast and by \$2.00 per acre to \$26.00 in the Northeast region. In the Northern Plains and Southern Plains regions, which account for two-thirds of the cash-rented pasture acreage, changes were marginally higher and lower, respectively. Northern Plains cash rents for pasture increased 50 cents per acre to \$12.50 while cash rents for pasture decreased by 20 cents per acre to \$8.20 in the Southern Plains. Wisconsin, at \$38.00 per acre and unchanged from 2005, continues to lead the Nation with the highest per acre pasture rent.

UPCOMING REPORTS

Colorado and U.S. data from most of the following reports will appear in subsequent issues of AG UPDATE. However, those who have an immediate need for the data may call this office after 1:15 P.M. on the day of release - toll free 1-800-392-3202. The complete USDA report is also available on the Worldwide Web at: <http://www.nass.usda.gov>

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