

SOUTH DAKOTA INCOME AND PRICES SUMMARY, 2004

INCOME

Cash receipts from farm marketings were up 13 percent in 2003 compared to 2002. Sales from all livestock and their related products accounted for \$2,119 million, or 46 percent of the total 2003 receipts. Income from livestock was up 4 percent from 2002. Sales from all crops totaled \$1,899 million, or 42 percent, of the total. Income from crops was up 10 percent from 2002. Government payments totaled \$549 million in 2003, up 95 percent from 2002, and is 12 percent of total receipts.

The largest income sources for 2003 were cattle, soybeans, corn, and wheat. Cattle, up less than 1 percent from 2002, accounted for 33 percent of the total. Soybeans, up 13 percent from 2002, accounted for 16 percent of the total. Income from corn increased 4 percent from 2002 and accounted for 15 percent of the total. Wheat receipts rose 50 percent and accounted for 6 percent of the total.

The 2003 net farm income totaled \$1,320.9 million, up 312 percent from drought-impacted 2002.

PRICES

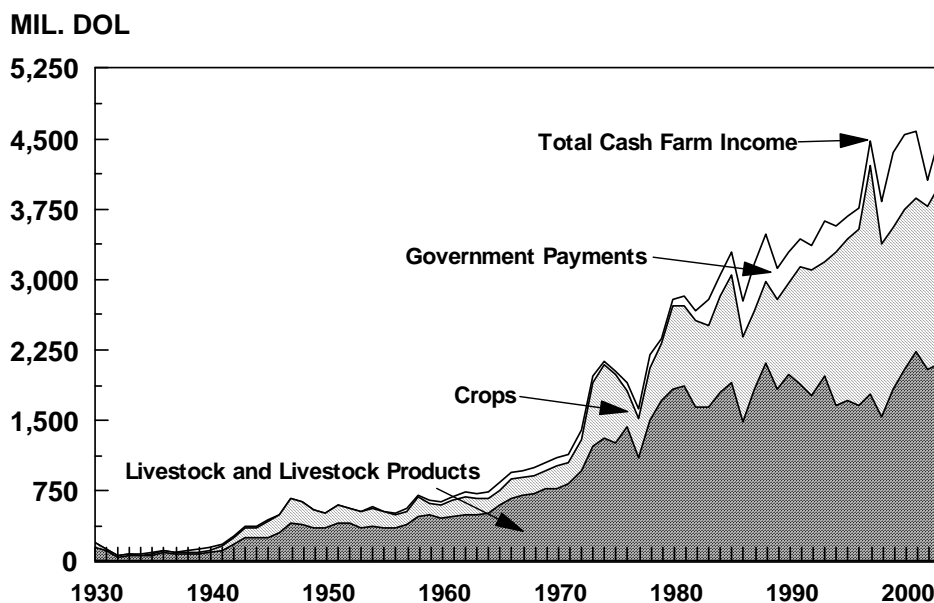
Preliminary 2004 marketing year average (MYA) crop prices were down compared to 2003 with the exception of hay,

sunflower, rye, flaxseed, and dry edible beans. All wheat MYA price was down 6 percent to \$3.25. All hay MYA price was up 5 percent to \$63.50 per ton. The all sunflower price was up 7 percent to \$12.20 per cwt. Soybean prices, with a MYA for 2004 of \$4.95, were \$2.01 (29 percent) less than 2003. Corn prices, with a MYA for 2004 of \$1.65, were 63 cents (28 percent) below 2003. Sorghum decreased 26 percent to \$2.95 per cwt.

Marketing year average prices are computed by weighting monthly prices by the estimated monthly sales. Page 27 shows the marketing year for the major crops.

Annual 2004 livestock prices increased from 2003 for all species. The beef cattle price increased 13 percent to \$89.30. Steers and heifers rose 14 percent to \$97.50, and cows were also up 14 percent to \$51.20. Calves increased 17 percent to \$125.00 per cwt. The all hog price of \$50.40 increased 31 percent from 2003. Barrows and gilts rose 29 percent, while sows climbed 42 percent. At \$115.00, the lamb price was 8 percent higher, while sheep, at \$40.90, were up 10 percent from 2003.

CASH RECEIPTS, SOUTH DAKOTA, 1930-2003



CASH RECEIPTS FROM FARM MARKETINGS AND GOVERNMENT PAYMENTS, SOUTH DAKOTA, 2001-2003

| COMMODITY | CASH RECEIPTS | | | PERCENT TOTAL | | |
|-------------------------------------|---------------------------|------------------|------------------|---------------------|--------------|--------------|
| | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| | ----- 1,000 DOLLARS ----- | | | ----- PERCENT ----- | | |
| CROPS: | | | | | | |
| WHEAT | 221,200 | 187,955 | 281,177 | 4.8 | 4.6 | 6.2 |
| CORN | 549,499 | 652,927 | 676,694 | 12.0 | 16.1 | 14.8 |
| SORGHUM | 12,605 | 11,193 | 10,296 | 0.3 | 0.3 | 0.2 |
| OATS | 4,336 | 4,356 | 6,423 | 0.1 | 0.1 | 0.1 |
| BARLEY | 10,350 | 2,041 | 5,366 | 0.2 | 0.1 | 0.1 |
| RYE | 565 | 421 | 852 | 0.0 | 1/ | 1/ |
| FLAXSEED | NR | NR | NR | NR | NR | NR |
| SOYBEANS | 559,553 | 632,450 | 715,859 | 12.2 | 15.6 | 15.7 |
| POTATOES | 2,825 | 3,054 | 2,898 | 0.1 | 0.1 | 0.1 |
| HAY | 155,060 | 124,684 | 109,025 | 3.4 | 3.1 | 2.4 |
| SUNFLOWER | 77,730 | 67,858 | 47,825 | 1.7 | 1.7 | 1.0 |
| MISCELLANEOUS CROPS | 46,456 | 42,627 | 42,286 | 1.0 | 1.1 | 0.9 |
| TOTAL CROPS | 1,640,179 | 1,729,566 | 1,898,701 | 35.8 | 42.6 | 41.6 |
| LIVESTOCK AND PRODUCTS: | | | | | | |
| CATTLE AND CALVES | 1,566,900 | 1,494,243 | 1,501,201 | 34.2 | 36.8 | 32.9 |
| HOGS | 320,539 | 243,872 | 274,685 | 7.0 | 6.0 | 6.0 |
| SHEEP AND LAMBS | 22,051 | 25,942 | 33,670 | 0.5 | 0.6 | 0.7 |
| TURKEYS | 58,139 | 55,608 | 51,925 | 1.3 | 1.4 | 1.1 |
| EGGS | 16,771 | 15,715 | 31,708 | 0.4 | 0.4 | 0.7 |
| OTHER POULTRY | 2,996 | 3,193 | 3,392 | 0.1 | 0.1 | 0.1 |
| DAIRY PRODUCTS | 205,058 | 163,584 | 176,076 | 4.5 | 4.0 | 3.9 |
| HONEY | 10,845 | 16,295 | 20,440 | 0.2 | 0.4 | 0.4 |
| WOOL | 919 | 1,397 | 1,995 | 1/ | 1/ | 1/ |
| MISCELLANEOUS LIVESTOCK | 21,184 | 25,986 | 24,122 | 0.5 | 0.6 | 0.5 |
| TOTAL LIVESTOCK AND PRODUCTS | 2,225,566 | 2,045,835 | 2,119,214 | 48.6 | 50.4 | 46.4 |
| TOTAL CROPS AND LIVESTOCK | 3,865,744 | 3,775,401 | 4,017,915 | 84.4 | 93.1 | 88.0 |
| GOVERNMENT PAYMENTS | 715,264 | 281,256 | 548,510 | 15.6 | 6.9 | 12.0 |
| GRAND TOTAL | 4,581,008 | 4,056,657 | 4,566,425 | 100.0 | 100.0 | 100.0 |

1/ ROUNDS TO LESS THAN ONE TENTH OF ONE PERCENT. NR=NOT FOR RELEASE.

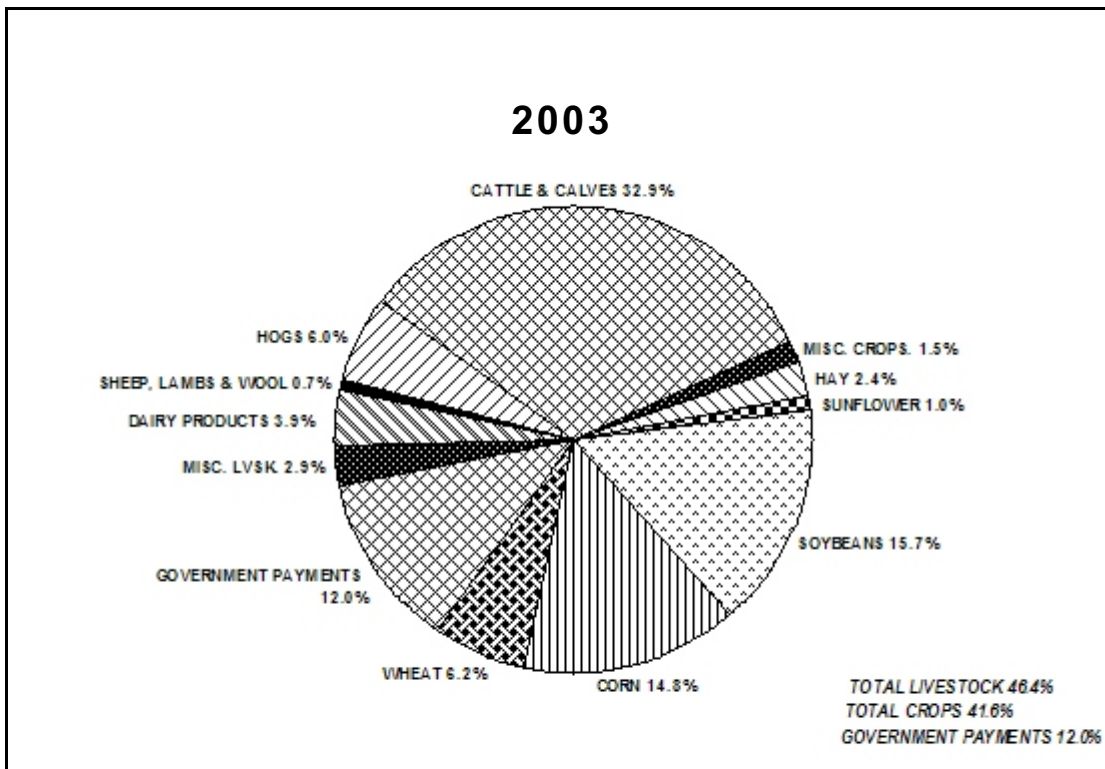
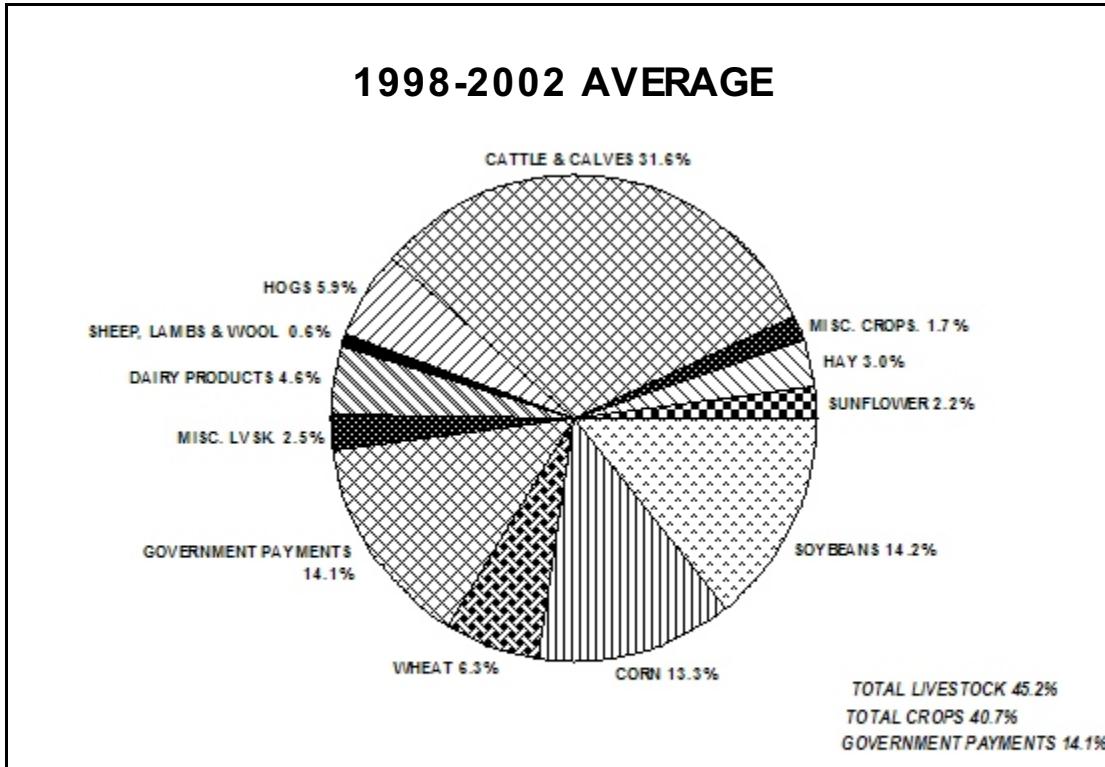
SOURCE: ECONOMIC RESEARCH SERVICE, USDA

CASH RECEIPTS, STATE RANKING, 2003

| ITEM | UNIT | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | S.D. RANK |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CROPS | MIL. DOL. | CA 20,812 | IA 6,560 | IL 6,490 | FL 5,244 | TX 5,031 | MN 4,516 | WA 3,818 | NE 3,754 | IN 3,363 | ND 2,907 | 19 1,899 |
| LIVESTOCK & LVSTK. PRODUCTS | MIL. DOL. | TX 10,311 | CA 6,993 | NE 6,867 | KS 6,179 | IA 6,073 | NC 4,158 | WI 4,094 | MN 4,072 | CO 3,676 | OK 3,504 | 19 2,119 |
| GOVERNMENT PAYMENTS | MIL. DOL. | TX 1,666 | IA 1,051 | IL 866 | AR 844 | KS 808 | MN 787 | NE 726 | CA 654 | ND 652 | GA 552 | 11 549 |
| TOTAL | MIL. DOL. | CA 28,458 | TX 17,008 | IA 13,684 | NE 11,347 | KS 9,854 | MN 9,375 | IL 9,156 | NC 7,278 | FL 6,584 | WI 6,360 | 19 4,566 |

CASH RECEIPTS, SOUTH DAKOTA

PERCENT OF TOTAL



CASH RECEIPTS FROM FARM MARKETINGS,^{1/}
SOUTH DAKOTA, 2004

| MONTH | CROPS | | LIVESTOCK | | TOTAL | |
|-----------|---------------|---------|---------------|---------|---------------|---------|
| | 1,000 DOLLARS | PERCENT | 1,000 DOLLARS | PERCENT | 1,000 DOLLARS | PERCENT |
| JANUARY | 245,114 | 10.0 | 170,197 | 7.4 | 415,311 | 8.7 |
| FEBRUARY | 173,945 | 7.1 | 160,741 | 7.0 | 334,687 | 7.0 |
| MARCH | 187,049 | 7.6 | 226,588 | 9.8 | 413,636 | 8.7 |
| APRIL | 134,957 | 5.5 | 172,698 | 7.5 | 307,655 | 6.5 |
| MAY | 96,837 | 4.0 | 184,897 | 8.0 | 281,734 | 5.9 |
| JUNE | 98,639 | 4.0 | 235,144 | 10.2 | 333,782 | 7.0 |
| JULY | 136,117 | 5.6 | 152,244 | 6.6 | 288,361 | 6.1 |
| AUGUST | 139,254 | 5.7 | 179,374 | 7.8 | 318,628 | 6.7 |
| SEPTEMBER | 208,821 | 8.5 | 215,623 | 9.4 | 424,444 | 8.9 |
| OCTOBER | 553,193 | 22.6 | 184,549 | 8.0 | 737,742 | 15.5 |
| NOVEMBER | 267,576 | 10.9 | 209,100 | 9.1 | 476,675 | 10.0 |
| DECEMBER | 204,762 | 8.4 | 210,990 | 9.2 | 415,752 | 8.8 |
| YEAR | 2,446,264 | 100.0 | 2,302,145 | 100.0 | 4,748,407 | 100.0 |

1/ PERCENTS MAY NOT ADD DUE TO ROUNDING.

FARM PRODUCTION EXPENSES,
SOUTH DAKOTA, 2001-2003

| ITEM | 2001 | 2002 | 2003 |
|---------------------------------------|---------|---------|---------|
| ----- MILLION DOLLARS ----- | | | |
| FEED | 304.1 | 305.1 | 336.7 |
| LIVESTOCK | 345.9 | 283.8 | 337.0 |
| SEED | 233.8 | 255.4 | 289.0 |
| FERTILIZER AND LIME | 253.6 | 229.1 | 240.4 |
| PESTICIDES | 210.6 | 215.0 | 199.0 |
| FUEL AND OIL | 176.1 | 166.2 | 168.1 |
| ELECTRICITY | 63.0 | 69.7 | 100.8 |
| REPAIR AND MAINTENANCE | 286.9 | 286.4 | 269.2 |
| OTHER MISC. | 577.9 | 508.7 | 639.4 |
| INTEREST | 324.6 | 293.5 | 294.4 |
| LABOR EXPENSES | 139.2 | 127.2 | 124.4 |
| NET RENT TO NON-OPERATOR LANDLORDS | 322.4 | 289.1 | 363.1 |
| CAPITAL CONSUMPTION | 430.7 | 433.8 | 430.6 |
| PROPERTY TAXES | 183.7 | 190.2 | 222.1 |
| TOTAL PRODUCTION EXPENSES | 3,852.5 | 3,653.2 | 4,014.2 |

FARM BALANCE SHEET,
SOUTH DAKOTA, DECEMBER 31, 2001-2003

| ITEM | 2001 | 2002 | 2003 |
|----------------------------------------|----------|----------|----------|
| ----- MILLION DOLLARS ----- | | | |
| TOTAL FARM ASSETS | 25,771.6 | 26,550.8 | 28,661.0 |
| TOTAL FARM DEBT 1/ REAL ESTATE DEBT | 4,333.2 | 4,434.4 | 4,478.6 |
| NON-REAL ESTATE DEBT | 1,696.7 | 1,811.0 | 1,874.2 |
| EQUITY 2/ | 2,636.5 | 2,623.4 | 2,604.4 |
| | 21,438.3 | 22,116.4 | 24,182.4 |
| ----- RATIO (%) ----- | | | |
| DEBT/EQUITY | 20.2 | 20.1 | 18.5 |
| DEBT/ASSETS | 16.8 | 16.7 | 15.6 |

1/ EXCLUDES DEBT FOR NON-FARM PURPOSES. 2/ MAY NOT ADD DUE TO ROUNDING.

SOURCE: ECONOMIC RESEARCH SERVICE, USDA

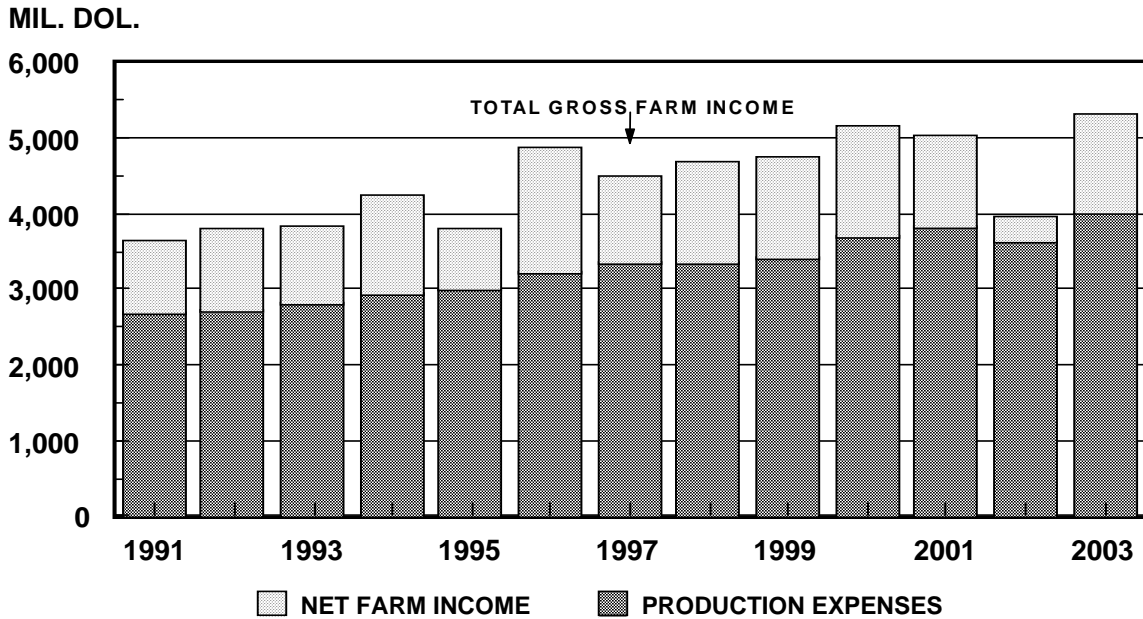
**NET FARM INCOME: VALUE ADDED TO AGRICULTURAL SECTOR,^{1/}
SOUTH DAKOTA, 1999-2003**

| ITEM | 1999 | 2000 | 2001 | 2002 | 2003 |
|-------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| ----- THOUSAND DOLLARS ----- | | | | | |
| VALUE OF AGRICULTURAL SECTOR PRODUCTION | 3,939,269 | 4,330,896 | 4,307,289 | 3,692,394 | 4,786,611 |
| FINAL CROP OUTPUT | 1,692,823 | 1,725,119 | 1,686,662 | 1,332,287 | 2,187,182 |
| CROP RECEIPTS FROM FARM MARKETINGS | 1,726,673 | 1,714,487 | 1,640,179 | 1,729,566 | 1,898,701 |
| HOME CONSUMPTION | 3,898 | 4,060 | 3,703 | 4,537 | 1,578 |
| VALUE OF INVENTORY ADJUSTMENT 2/ | (37,749) | 6,572 | 42,779 | (401,815) | 286,903 |
| FINAL ANIMAL OUTPUT | 1,811,092 | 2,143,746 | 2,142,576 | 1,851,181 | 2,073,281 |
| LIVESTOCK RECEIPTS FROM FARM MARKETINGS | 1,817,603 | 2,016,157 | 2,225,566 | 2,045,835 | 2,119,214 |
| HOME CONSUMPTION | 2,778 | 1,807 | 1,391 | 1,704 | 593 |
| VALUE OF INVENTORY ADJUSTMENT 2/ | (9,289) | 125,782 | (84,381) | (196,358) | (46,526) |
| SERVICES AND FORESTRY | 435,354 | 462,030 | 478,051 | 508,926 | 526,148 |
| FARM RELATED INCOME & FOREST PRODUCTS SOLD | 309,051 | 329,095 | 332,097 | 356,809 | 371,391 |
| GROSS IMPUTED RENTAL VALUE OF FARM DWELLINGS | 126,303 | 132,935 | 145,954 | 152,117 | 154,757 |
| MACHINE HIRE & CUSTOM WORK | 60,432 | 51,808 | 62,382 | 44,062 | 78,495 |
| LESS: PURCHASED INPUTS | 2,078,356 | 2,309,132 | 2,439,788 | 2,307,403 | 2,569,474 |
| FARM ORIGIN | 718,629 | 804,857 | 883,842 | 844,235 | 962,671 |
| FEED PURCHASED | 283,737 | 265,836 | 304,084 | 305,079 | 336,698 |
| LIVESTOCK AND POULTRY PURCHASED | 249,622 | 326,441 | 345,937 | 283,776 | 336,951 |
| SEED PURCHASED | 185,270 | 212,580 | 233,821 | 255,380 | 289,022 |
| MANUFACTURED INPUTS | 572,039 | 675,554 | 703,249 | 680,078 | 708,327 |
| FERTILIZERS AND LIME | 195,557 | 236,507 | 253,563 | 229,099 | 240,357 |
| PESTICIDES | 202,331 | 207,570 | 210,562 | 215,042 | 199,010 |
| PETROLEUM FUEL AND OILS | 128,310 | 181,351 | 176,103 | 166,227 | 168,139 |
| ELECTRICITY | 45,841 | 50,126 | 63,021 | 69,710 | 100,821 |
| OTHER PURCHASED INPUTS | 787,688 | 828,721 | 852,697 | 783,090 | 898,476 |
| REPAIR AND MAINTENANCE OF CAPITAL ITEMS | 253,492 | 279,985 | 286,900 | 286,417 | 269,178 |
| MACHINE HIRE AND CUSTOMWORK | 109,722 | 113,862 | 105,389 | 73,532 | 95,910 |
| MARKETING, STORAGE, AND TRANSPORTATION EXPENSES | 57,395 | 48,145 | 67,890 | 43,116 | 61,770 |
| CONTRACT LABOR | 8,409 | 9,474 | 7,271 | 10,087 | 4,589 |
| MISCELLANEOUS EXPENSES | 358,670 | 377,255 | 385,247 | 369,938 | 467,029 |
| PLUS: NET GOVERNMENT TRANSACTIONS | 607,949 | 599,896 | 519,282 | 79,203 | 316,255 |
| + DIRECT GOVERNMENT PAYMENTS | 791,124 | 789,895 | 715,264 | 281,256 | 548,510 |
| - MOTOR VEHICLE REGISTRATION AND LICENSING FEES | 9,613 | 10,937 | 12,268 | 11,834 | 10,119 |
| - PROPERTY TAXES | 173,562 | 179,062 | 183,714 | 190,219 | 222,136 |
| GROSS VALUE ADDED | 2,468,862 | 2,621,660 | 2,386,783 | 1,464,193 | 2,533,392 |
| LESS: CAPITAL CONSUMPTION | 413,530 | 419,115 | 430,653 | 433,834 | 430,593 |
| NET VALUE ADDED | 2,055,332 | 2,202,545 | 1,956,130 | 1,030,359 | 2,102,799 |
| LESS: PAYMENTS TO STAKEHOLDERS | 750,794 | 844,634 | 786,125 | 709,898 | 781,899 |
| EMPLOYEE COMPENSATION (TOTAL HIRED LABOR) | 108,716 | 120,445 | 139,161 | 127,230 | 124,446 |
| NET RENT RECEIVED BY NON-OPERATOR LANDLORDS | 304,559 | 367,932 | 322,382 | 289,137 | 363,078 |
| REAL ESTATE AND NON-REAL ESTATE INTEREST | 337,519 | 356,257 | 324,582 | 293,531 | 294,375 |
| NET FARM INCOME | 1,304,538 | 1,357,911 | 1,170,005 | 320,461 | 1,320,900 |

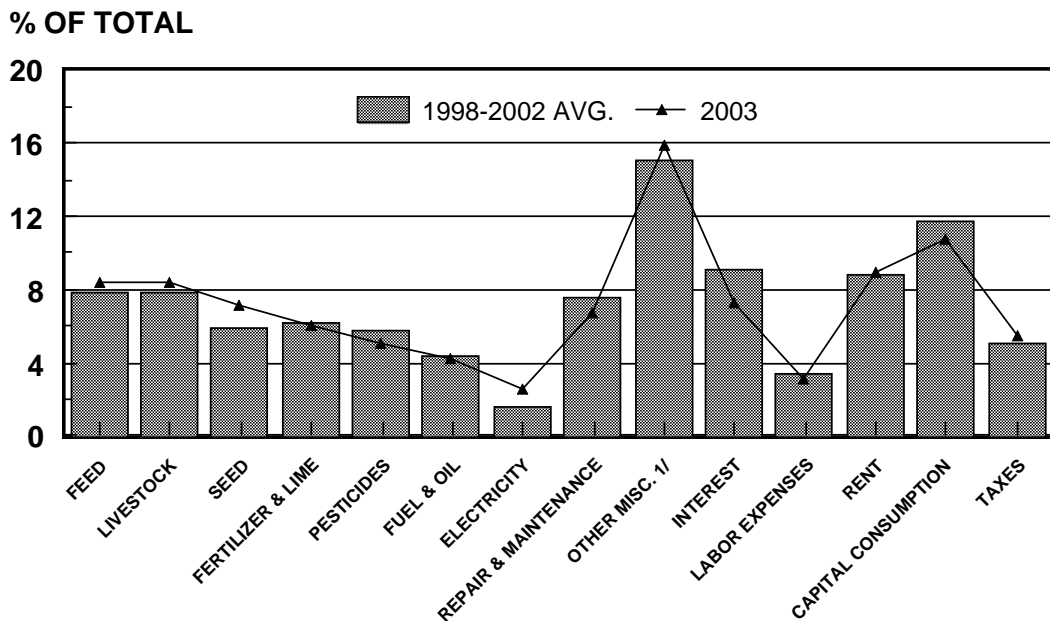
^{1/} VALUE OF AGRICULTURAL SECTOR PRODUCTION IS THE GROSS VALUE OF THE COMMODITIES AND SERVICES PRODUCED WITHIN A YEAR. NET VALUE-ADDED IS THE SECTOR'S CONTRIBUTION TO THE NATIONAL ECONOMY AND IS THE SUM OF THE INCOME FROM PRODUCTION EARNED BY ALL FACTORS-OF-PRODUCTION REGARDLESS OF OWNERSHIP. NET FARM INCOME IS THE FARM OPERATORS' SHARE OF INCOME FROM THE SECTOR'S PRODUCTION ACTIVITIES. THE CONCEPT PRESENTED IS CONSISTENT WITH THAT EMPLOYED BY THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT. ^{2/} A POSITIVE VALUE OF INVENTORY CHANGE REPRESENTS CURRENT-YEAR PRODUCTION NOT SOLD BY DECEMBER 31. A NEGATIVE VALUE IS AN OFFSET TO PRODUCTION FROM PRIOR YEARS INCLUDED IN CURRENT-YEAR SALES. NOTE: CHANGES HAVE BEEN MADE TO ROW LABELS BUT THE UNDERLYING CONCEPTUAL MEASURES ARE UNCHANGED.

SOURCE: ECONOMIC RESEARCH SERVICE/USDA

FARM INCOME, SOUTH DAKOTA, 1991-2003



PRODUCTION EXPENDITURES, SOUTH DAKOTA, 1998-2003



1/ OTHER MISCELLANEOUS INCLUDES MACHINE HIRE AND CUSTOM WORK; MARKETING, STORAGE, AND TRANSPORTATION; CONTRACT LABOR; MOTOR VEHICLE REGISTRATION AND LICENSING FEES; MISCELLANEOUS EXPENSES WHICH INCLUDE VETERINARIAN SERVICES, CUSTOM FEEDING EXPENSES, GROSS INSURANCE, AND OTHER MANAGEMENT EXPENSES.