

# NASS

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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

**Corn.** The November forecast for 2005 corn production is 11.0 billion bushels, up 2% from the last forecast but 7% below last year. Based on November 1 conditions, yields are expected to average 148.4 bushels per acre, up 2.3 bushels from last month but down 12.0 bushels from 2004. If realized, both production and yield would be the second largest on record, behind last year. The World Agricultural Outlook Board (WAOB) projected 2005/06 ending stocks of corn are up 99 million bushels from last month as a result of the higher production forecast. Corn used to produce ethanol is forecast at 1.575 billion bushels, up 75 million bushels from last month. Export and feed and residual use forecasts are unchanged. A market year average price between \$1.60 and \$2.00 per bushel is expected, compared with \$2.06 for the 2004 crop.

**Soybeans.** The 2005 soybean crop is forecast at 3.04 billion bushels, up 3% from October but 3% below 2004. If realized, this would be the second largest U.S. soybean crop on record, only behind last year's crop. Based on November 1 conditions, yields are expected to average a record high 42.7 bushels per acre, up 1.1 bushels from October and 0.5 bushel above last year. WAOB projected ending stocks are up 90 million bushels from last month to 350 million bushels. Soybean exports are forecast at 1.08 billion bushels, down 40 million bushels from last month based on lower-than-expected sales and shipments. Soybean crush, at 1.72 billion bushels, is up 25 million bushels from last month due to larger available supplies and higher-than-expected soybean meal use in recent months. A market year average price is projected between \$4.95 and \$5.75 per bushel, down 5 cents from last month on both ends of the range, compared to the 2004 average price of \$5.74.

**Cotton.** The 2005 U.S. cotton production is forecast at 23.2 million 480-pound bales, up 2% from last month but slightly below last year's record production. Yield is expected to average 813 pounds per acre, up 16 pounds from last month but down 42 pounds from 2004. If realized, both yield and production would be the second highest on record, behind last year. WAOB projected domestic mill use is unchanged from last month while exports are slightly higher, at 16.2 million bales. Ending stocks for 2005/06, at 6.50 million bales, up 2% from last month and up 17% from the previous year.

**Rice.** U.S. rice production is forecast at a record high 221 million cwt, down 1% from October and down 4% from 2004. The average yield is forecast at 6,603 pounds per acre, down 75 pounds from last month and 339 pounds below last year. Ending stocks for 2005/06 are projected by the WAOB at 26.2 million cwt, down 4.6 million cwt from last month. Exports are projected at 121 million cwt, 2.00 million cwt above last month, and 10.6 million cwt above 2004/05. A market year average price is expected between \$7.75 and \$8.05 per cwt, compared with \$7.33 per cwt for the 2004 crop.

**Other Crops.** Grain Sorghum production is forecast at 388 million bushels, up 3% from October but down 15% from 2004. The sorghum yield forecast is 68.2 bushels per acre, up 2.2 bushels from last month but down 1.6 bushels from last year. The **peanut crop** is forecast at 4.66 billion pounds, down 5% from last month but 9% above last year's crop. Yields are expected to average 2,898 pounds, 163 pounds below the October forecast and down 178 pounds from 2004.

**Cattle.** Mid-November **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$91 per cwt, up \$3 from mid-October. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$118 per cwt, up \$2 from a month ago.

**Hogs.** For the first two weeks of November, hog **slaughter** was running 3.2% above a year ago. Cash **prices** at mid-November (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged \$45 per cwt, down \$3 from the mid-October price. Fourth quarter prices are expected to average \$44 per cwt.

**Other.** October **milk production** was up 4.1% from the previous year. Production per cow increased 3.3%, while the number of cows increased 0.7% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of November. Total **cheese** production reported for the month of September 2005 was 3.9% above the previous year. **Butter** production during this same time period was 7.2% above last year. Production of **nonfat dry milk for human food** was down 24 % from September 2004. US table **egg production** during October 2005 totaled 6.60 billion, up slightly from October 2004. Wholesale market **egg prices** for the fourth quarter of 2005 (Grade A large, New York) are expected to average 67-69 cents per dozen, compared with 68.0 cents a year ago. First quarter 2006 egg prices are expected to average 63-67 cents per dozen, compared to 64.5 cents a year earlier. **Broiler**-Type chicks hatched during October 2005 totaled 776 million, up 3% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending November 12, 2005, were 165 million, up 2% from a year ago. Cumulative placements for the 19 selected states for the period January 2, 2005 - November 12, 2005 totaled 7.84 billion, up 1% from the 7.72 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2005 is expected to be 68-70 cents, compared with 68.3 cents from a year earlier. First quarter 2006 broiler prices are expected to average 69-73 cents per pound, compared with the 71.9 cents for a year earlier. **Turkey** Poult Placements in October 2005, at 21.4 million, were up 3% from October 2004. Cumulative placements for the 2006 marketing year are 44.2 million poults, up 5% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2005 are expected to be 79-81 cents compared with 77.1 cents for the same period last year. Turkey prices for the first quarter of 2006 are expected to average 63-67 cents per pound, compared with the 65.9 cents average for the first quarter of 2005. **Supplies in refrigerated warehouses** at the end of October 2005 compared with a year earlier were: total chicken, down 1%; turkey, down 10%; pork, up 5%; bellies, down 3%; beef, down 3%; frozen orange juice, down 25%; butter, down 6% and American cheese, down 1%.

**Trade.** November U.S. **trade projections** for rice, cotton, pork, broilers, and turkeys improved while 2005/2006 export prospects for soybeans declined, compared with last month. Wheat, corn, and beef were unchanged from October. November projections for the volume of exports for the 2005/2006 marketing year compared to 2004/2005 are: **wheat** down 6%; **corn** up 10%; **rice** up 8%; **soybeans** down 2%; **soybean meal** down 8%; **soybean oil** unchanged; and **cotton** up 12%. November projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 2%; **pork** up 3%; **broilers** up 3%; and **turkeys** up 4%. The **U.S. trade** deficit for goods and services increased to \$66.1 billion in September, from a revised \$59.3 billion in August. The **U.S. agricultural trade** had a deficit of \$149 million in September, compared with a surplus of \$97 million in August.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.2% in October and has increased 4.3% over the last 12 months. The **PPI** increased 0.7% in October and 5.9% over the last 12 months. The October **prime rate**, averaging 6.75%, was up from 6.59% in September. Compared to a year earlier, **feed** prices in October were unchanged; **feeder livestock and poultry** up 5%; **fertilizer** up 13%; **ag chemicals** up 2%; **farm machinery** up 4%, **seeds** up 8%, and **fuels** up 41%.

**World Weather and Crop Developments** (November 6-13). In the **United States**, mild weather again prevailed nearly nationwide, with the exception of the Pacific Northwest and parts of New England. Temperatures averaged over 6 degrees Fahrenheit above normal over most of the Nation, including the central and southern Rocky Mountains, Great Plains, Mississippi Delta, and most of the Corn Belt and Southeast. Mostly dry conditions in these areas encouraged final summer crop harvest. The cool weather in the Pacific Northwest continued to hold winter wheat emergence behind the normal pace. Meanwhile, in the Northeast, continued rainfall maintained excessive soil moisture levels in most areas. Persistent dryness in eastern **Europe** further reduced moisture for emerging winter grains. Temperatures in major winter wheat areas in **Ukraine** and the Southern Region in **Russia** fell to low enough levels to halt crop growth. Locally heavy showers in southern **India** favored emerging winter crops but caused flooding. Dry weather in western **Australia** aided winter wheat and barley harvesting, while widespread rain in eastern Australia hampered winter grain maturation and collection. Warm weather and light rainfall aided development of winter wheat on the North **China** Plain. Dry weather allowed coffee harvesting to fully resume in central **Vietnam**. Showers increased moisture for soybean development in key growing areas of the center-west in **Brazil**. Warmth and dryness reduced moisture for winter wheat in southern growing areas of **Argentina**.

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