

# 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.** Corn ending stocks for the 2000-2001 marketing year are forecast by WAOB to total 1.89 billion bushels, 85 million bushels above the previous forecast, and 173 million bushels above the 1999-2000 marketing year. Projected exports are down 100 million bushels from last month because of increased competition from China and Argentina. The average price for the 2000 crop is expected to be between \$1.70 and \$1.90 per bushel.

**Soybeans.** Soybean ending stocks for the 2000-2001 marketing year are forecast by WAOB to total 345 million bushels, up 25 million bushels from the previous forecast and 55 million bushels above the 1999-2000 marketing year. Export prospects were decreased 15 million bushels from last month and soybean crush was reduced by 10 million bushels. The average price for the 2000 crop is expected to be between \$4.50 and \$4.80 per bushel.

**Wheat.** The WAOB raised projected U.S. 2000-2001 ending stocks of wheat by 25 million bushels from the previous forecast because of reduced exports. This puts the projected ending stocks at 839 million bushels. Projected exports are down 25 million bushels from last month because of reduced shipments to date and prospects for continued stiff competition in the coming months. The projected price range for the 2000 all wheat crop is \$2.60 to \$2.70.

**Cattle.** February 1 cattle on feed in the U.S. feedlots with capacity of 1,000 or more totaled 11.9 million head, up 3% from a year earlier. January placements were up 2% from the previous year. Marketings of fed cattle were unchanged from 2000. At mid-February, prices for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$79 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$86 per cwt in mid-February, down \$2 from mid-January.

**Hogs.** During the first two weeks of February slaughter has been running about 1% below a year ago. Prices at mid-February (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$40 per cwt, up \$3 from mid-January. Second quarter prices are expected to average around \$45 per cwt.

**Other Livestock.** January milk production was down 1.5% from the previous year. Production per cow decreased 1.8%; however, the number of cows was up 0.3%. Cheddar cheese prices (U.S. 40 pound blocks, wholesale) were up the first week but down the second week of February. During December, total cheese production was 2.2% below the previous year, butter production was down 3.3% and nonfat dry milk production was down 5.6%. US table **egg production** during January 2001 totaled 6.11 billion, up 1% from January 2000. Wholesale market **egg prices** for the first quarter of 2001 (Grade A large, New York) are expected to average 74-76 cents per dozen, compared with 63.3 cents a year ago. Second quarter 2001 egg prices are expected to average 68-72 cents per dozen, compared with 62.1 cents a year earlier. **Broiler-** Type chicks hatched during January 2001 totaled 734 million, down 2% from last year. Cumulative Broiler-Type Placements in 15 selected states thru February 17, 2001, were 1.00 billion, 1% below a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter of 2001 is expected to be 55-57 cents, compared with 54.6 cents from the first quarter of last year. Second quarter 2001 broiler prices are expected to average 55-59 cents per pound, compared with the 55.7 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through January 2001 were 119 million, 2% above the same period a year ago. Placements in January 2001, at 25.5 million, were up 3% from last January. Prices (8-16 lb. hens, Eastern Region) for the first quarter of 2001 are expected to be 61-63 cents compared with 62.9 cents for the first quarter last year. Turkey prices for the second quarter of 2001 are expected to average 64-68 cents per pound, compared with the 69.0 cents average for the second quarter of 2001. **Supplies in refrigerated warehouses** at the end of January 2001 compared with a year earlier were: total chicken, down 5%; turkey, down 8%; pork, down 2%; bellies, up 16%; beef, up 18%; frozen orange juice, up 5%; butter, down 20%; and American cheese, down 1%.

**Trade.** February U.S. **trade projections** for rice, soybeans, beef, and broilers improved while 1999/2000 export prospects for wheat and corn declined, compared with last month. Cotton, pork, and turkeys were unchanged from January. February projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat** up 1%; **corn** down 2%; **rice** up 1%; **soybeans** up 11%; **soybean meal** down 2%; **soybean oil** down 31%; and **cotton** up 47%. February projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** down 2%; **pork** down 6%; **broilers** up 3%; and **turkeys** up 8%. The **U.S. trade** deficit for goods and services decreased to \$33.0 billion in December, from a revised \$33.1 billion in November. The **U.S. agricultural trade** surplus was \$1.406 billion in December, compared with \$1.513 billion in November.

**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.6% in January and has increased 3.7% over the last 12 months. The **PPI** increased 1.1% in January, and has increased 4.8% for the 12-month period ending in January. The January **prime rate**, averaging 9.05%, was down from 9.50 in December. Compared to a year earlier, **feed** prices in January were up 11%; **feeder livestock and poultry** prices were unchanged; **fertilizer** was up 17%; **ag chemicals** up 2%; **farm machinery** was unchanged; **seeds** up 2%; and **fuels** up 36%.

**World Weather and Crop Developments** (February 11-17). In the **United States**, torrential rain fell in areas from the southeastern Plains to the Tennessee Valley, causing lowland flooding and leaving standing water in some winter grain fields. In the southern Appalachians, however, the moisture eased long-term drought. Just south of the area of heavy rain, a third week of warm weather promoted pasture and winter wheat development. Exceptionally dry conditions and record warmth in Florida's citrus and sugarcane areas further reduced water reserves, increased the threat of wildfires, and maintained heavy irrigation requirements. Farther north, very cold weather continued to stress livestock across the northern Plains and northwestern Corn Belt. Most of the northern Plains' winter wheat was protected from extreme conditions by an extensive snow covering. In California, cool, showery weather slowed spring fieldwork and winter wheat development, but improved high-elevation snow packs. Unfavorably dry weather persisted, however, in the Northwest, increasing concerns about spring runoff prospects and summer water supplies. In **Europe** mostly dry, mild weather favored dormant winter grains. Unusually mild, dry weather continued to prevail in major winter wheat-producing areas of **Ukraine** and southern **Russia**, keeping most crop area snow-free and causing crops to lose cold hardiness. Beneficial precipitation overspread most major winter wheat areas in the **Middle East**. Drier weather in **Australia** aided cotton and sorghum development, while in the southeast, showers improved pastures. Scattered showers helped stabilize filling corn and other summer crops in **South Africa**. In the North **China** Plain, cold weather kept winter wheat dormant, while early-week precipitation increased moisture supplies across east-central China. In central **Argentina**, soil moisture remained adequate for filling summer crops, despite a recent drying trend, while showers continued to provide adequate to abundant soil moisture for **Brazilian** soybeans.

**Other News.** **Pork production in 2001** is forecast up 2% from 2000, based on market hog inventory, pig crops, and farrowing intentions reported in December. As a result, hog prices in 2001 are expected to average in the low \$40's per cwt, compared with nearly \$45 in 2000 and the mid-\$30's in 1998 and 1999. **Record-high U.S. potato stocks** and a corresponding drop in grower prices are prompting growers to plant fewer acres this year. To what extent growers will cut back remains in question as they evaluate market potential for alternative crops such as dry beans, wheat, sugar beets, and soybeans. A record harvest last fall (471 million cwt of potatoes) accounts for the current abundance of spuds and lower grower prices, which for October-December 2000 averaged 15% to 20% below year-earlier prices. **Farmers across the nation** used conservation tillage (no-till, ridge-till, and mulch-till) on more than 109 million acres of farmland in 2000, amounting to over 36% of U.S. planted cropland area and up from 26% in 1990. Use of no-till expanded threefold during the decade to reach more than 52 million acres. The **fresh produce** industry has traditionally marketed primarily through daily sales arrangements. Volume requirements of very large produce buyers and the demand for reliable, year-round availability and quality of produce are making longer term arrangements—i.e., contracts—more desirable for both shippers and retailers. **In supplier-supermarket arrangements** for marketing a variety of products, the use of marketing fees to retailers—e.g., rebates, shelf-placement fees, and advertising allowances—is becoming more common. **Russia is a key customer** for U.S. agricultural exports, especially meats. But the institutions inherited from the Soviet Union make it a relatively high-cost and risky country in which to do business.

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