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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.

Wheat. Winter wheat production is forecast at 1.32 billion bushels, down 2% from May 1, and down 15% from last year. Based on June 1 conditions, the U.S. yield is forecast at 41.2 bushels per acre, down 0.6 bushels from the May forecast. Grain area totals 32.1 million acres, unchanged from last month. The World Agricultural Outlook Board (WAOB) projected U.S. 2001/02 ending stocks down 6 million bushels from last month as a smaller crop and increased use more than offset increased carryin stocks. The projected price range for 2001/02 is \$2.75 to \$3.35 per bushel.

Corn. The U.S. 2001 corn crop is projected at 9.58 billion bushels by the WAOB, unchanged from last month, but down 4% from last year. The March Prospective Plantings area of 76.7 million acres and a trend yield of 137.0 bushels per acre are assumed. Projected 2001/02 ending stocks of corn are down 25 million bushels from last month as larger exports more than offset the increased beginning stocks. Projected exports are up 75 million bushels due to reduced competition. The projected price range for the 2001 corn crop is \$1.70 to \$2.10 per bushel, up 5 cents on each end compared to last month.

Soybeans. U.S. 2001 soybean output is projected by the WAOB at a record 2.99 billion bushels, unchanged from last month, but up 8% from 2000. The March Prospective Plantings area of a record 76.7 million acres and a trend yield of 39.5 bushels per acre are assumed. Ending stocks for the 2001/02 season are forecasted at 440 million bushels, down 60 million bushels from last month. Projected exports are up 15 million bushels from last month to a record 995 million bushels. Soybean prices are projected at \$3.90 to \$4.70 per bushel, compared \$4.45 for 2000/01. Soybean meal prices of \$145 to \$175 per short ton are projected.

Cotton. The U.S. 2001 cotton production is projected by the WAOB at 18.8 million bales, the same as last month. This month's 2001/02 projections include higher beginning stocks and lower domestic mill use, resulting in ending stocks of 6.6 million bales, 300,000 bales above last month.

Cattle. At mid-June, prices for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$ 74 per cwt. Choice steer prices (Nebraska, direct, 1100-1300 lbs.) are expected to average \$73-77 per cwt for the third quarter compared with \$65.43 for a year earlier. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$91 per cwt in mid-June, up \$4 from mid-May.

Hogs. During the first two weeks of June slaughter has been running slightly above a year ago. Prices at mid-June (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$53 per cwt, up \$1 from mid-May. Third quarter prices are expected to average around \$48 per cwt.

Other Livestock. May **milk production** was down 1.1% from the previous year. Production per cow decreased 0.4% and the number of cows decreased 0.7%. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of June. During April, total **cheese** production was 3.2% below the previous year, **butter** production was down 5.4% and **nonfat dry milk** production was down 10%. US table **egg production** during May 2001 totaled 7.23 billion, up 2% from May 2000. Wholesale market **egg prices** for the second quarter of 2001 (Grade A large, New York) are expected to average 65-66 cents per dozen, compared with 62.1 cents a year ago. Third quarter 2001 egg prices are expected to average 73-77 cents per dozen, compared with 67.1 cents a year earlier. **Broiler-** Type chicks hatched during May 2001 totaled 776 million, up slightly from last year. Cumulative Broiler-Type Placements in 15 selected states thru June 16, 2001, were 3.53 billion, slightly below a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2001 is expected to be 59-60 cents, compared with 55.7 cents for the second quarter of last year. Third quarter 2001 broiler prices are expected to average 59-62 cents per pound, compared with the 56.8 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through May 2001 were 221 million, 2% above the same period a year ago. Placements in May 2001, at 26.8 million, were up 4% from last May. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2001 are expected to be

65-66 cents compared with 69.0 cents for the second quarter last year. Turkey prices for the third quarter of 2001 are expected to average 67-71 cents per pound, compared with the 73.9 cents average for the second quarter of 2001. **Supplies in refrigerated warehouses** at the end of May 2001 compared with a year earlier were: total chicken, down 20%; turkey, down 6%; pork, down 21%; bellies, down 33%; beef, down 18%; frozen orange juice, up 3%, butter, down 2%; and American cheese, down 13%.

Trade. June U.S. **trade projections** for corn and soybeans improved for the 2001/2002 marketing year. Wheat, rice, cotton, beef, pork, broilers, and turkeys were unchanged from May. June projections for the volume of exports for the 2001/2002 marketing year compared to 2000/2001 are: **wheat** down 6%; **corn** up 8%; **rice** down 9%; **soybeans** up 2%; **soybean meal** down slightly; **soybean oil** up 10%; and **cotton** up 38%. June projections for the volume of meat exports in calendar 2002 compared to 2001 are: **beef** up 3%; **pork** down 2%; **broilers** up 5%; and **turkeys** up 2%. The **U.S. trade** deficit for goods and services decreased to \$32.2 billion in April, from a revised \$33.1 billion in March. The **U.S. agricultural trade** surplus was \$868 million in April, compared with \$1,418 billion in March.

Prices. The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.5% in May and has increased 3.6% over the last 12 months. The **PPI** increased 0.1% in May, and has increased 3.8% for the 12-month period ending in May. The May **prime rate**, averaging 7.24%, was down from 7.80 in April. Compared to a year earlier, **feed prices** in May were down 2% ; **feeder livestock and poultry** prices were up 4% ; **fertilizer** were up 22% ; **ag chemicals** up 1% ; **farm machinery** up 4% ; **seeds** up 7% and **fuels** up 6%.

World Weather and Crop Developments (June 10-17). In the **United States** the remnants of tropical storm Allison delivered much-needed moisture to the eastern Gulf Coast and Atlantic Coastal Plains. The slow moving system nearly erased topsoil moisture shortages and significantly diminished subsoil moisture shortages. However, some low-lying areas experienced severe flooding. In the Corn Belt, crops favorably responded to above-normal temperatures. However, rain further delayed completion of planting across the northern and western Corn Belt. Small grains and forages in the northern High Plains benefited from precipitation, although cool weather limited growth. In the **Former Soviet Union**, light to moderate showers maintained adequate to abundant moisture conditions for winter grains and spring-sown crops, although the 4th consecutive week of unseasonably cool weather slowed crop development. Showers accompanied mild weather in **Kazakhstan** and **Russia**, favoring spring grain development. In **Canada**, cool, drier weather covered the western Prairies, slowing emergence and early development of spring grains and oilseeds. Light showers and warm weather maintained generally favorable growing conditions in northern **Europe**. In the North **China** Plain, southern Manchuria, and eastern **Korean Peninsula**, drought continued to stress summer crops, despite somewhat cooler weather and scattered showers. In **Australia**, beneficial rain continued in the southeastern winter grain belts, aiding germination and establishment. In **Mexico** showers continued to favor corn germination across the southern and eastern corn belt, but hot, dry weather continued to limit moisture supplies across the northeast. Showers benefited crops in **Thailand** and the **Philippines**, while delaying rice harvesting in northern **Vietnam** and Java, **Indonesia**. Abundant rainfall covered most summer crop areas, increasing long-term moisture reserves, but causing some fieldwork delays in South **Asia**. Showers favored wheat germination in Buenos Aires, **Argentina**, while dry weather eased excessive wetness and aided late summer crop harvesting in southern **Brazil**.

Other News. **Food consumption** patterns have changed since 1970. In 1997, each American consumed, on average, 81 pounds more of commercially grown vegetables than in 1970; 65 pounds more of grain products; 57 pounds more of fruit; 32 pounds more of caloric sweeteners; 13 pounds more of total red meat, poultry, and fish (boneless, trimmed equivalent); 17 pounds more of cheese; 13 pounds more of added fats and oils; 3 gallons more of beer; 70 fewer eggs; 10 gallons less of coffee; and 7 gallons less of milk. Away-from-home meals and snacks captured 45 percent of the U.S. food dollar in 1997, up from 39 percent in 1980 and 34 percent in 1970. The percentage of disposable personal income spent on food declined from 13.8 percent in 1970 to 10.7 percent in 1997. Although **small family farms** (annual sales of less than \$250,000) are often unprofitable, they still are important to U.S. agriculture. They accounted for only 33 percent of the value of total agriculture production in 1998, but they produced larger shares of particular commodities: 62 percent for hay, 54 percent of tobacco, 49 percent for soybeans, 47 percent for wheat, 47 percent for corn, and 40 percent for beef. Because of their sheer numbers (91 percent of all farms) they also accounted for a large share of assets owned by farms (69 percent) including land (68 percent). **Net cash farm income** is forecast at \$52.4 billion for 2001, a \$3-billion decline from 2000 and \$2.3 billion below the 1990-2000 average of \$54.7 billion. Total **farm production expenses** are projected to rise \$3.6 billion (1.8 percent) in 2001, following an increase of \$8.5 billion (4.4 percent) in 2000, based in part on a 17-percent rise in fertilizer expenses due to the increase in natural gas prices. **Farm business debt** is projected to rise 1.2 percent in 2001, following a 4.5-percent increase in 2000.
