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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. All wheat production totaled 1.96 billion bushels in 2001, down 2% from the last forecast and 12% below 2000. Grain area harvested is 48.7 million acres, down 8% from last year and the smallest area harvested since 1972. The U.S. yield is 40.2 bushels per acre, down 0.2 bushel from the last forecast and 1.8 bushels from last season. The World Agricultural Outlook Board (WAOB) projected 2001/02 ending stocks of wheat are up 20 million bushels from last month as smaller use and larger beginning stocks more than offset a smaller crop. A market year average price between \$2.70 and \$3.00 per bushel is expected, compared to \$2.62 for the 2000 crop.

Corn. The October forecast for 2001 corn production is 9.43 billion bushels, up 2% from the September forecast but down 5% from last year. Based on October 1 conditions, yields are expected to average 136.3 bushels per acre, up 2.8 bushels from last month but down 0.8 bushel from a year ago. If realized, this would be the lowest production since 1997 but the third highest yield on record. WAOB projected U.S. ending stocks are up 97 million bushels from last month as a larger crop more than offset lower beginning stocks and expanding use. A market year average price between \$1.90 and \$2.30 per bushel is expected, compared to \$1.85 for the 2000 crop.

Soybeans. The 2001 soybean crop is forecast at a record high 2.91 billion bushels, up 3% from September 1 and 5% above 2000. The yield forecast, at 39.2 bushels per acre, increased 1.0 bushel from last month and 1.1 bushels from 2000. Soybean export prospects are reduced 10 million bushels from last month by the WAOB due to much larger South American supplies. Crush is unchanged from last month as improved domestic soybean meal use prospects offset a decline in soybean meal exports. A market year average price is projected between \$3.90 and \$4.70 per bushel, compared to \$4.55 for the 2000 crop year.

Cotton. The September 1 U.S. all cotton production is forecast at 20.1 million 480-pound bales, up less than 1% from last month and up 17% from 2000. Yield is expected to average 681 pounds per harvested acre, up 2 pounds from last month. WAOB projected U.S. ending stocks are up 1% from last month reflecting the slightly larger production. Despite a weaker outlook for U.S. and world textile demand, the forecasts for domestic mill use and exports are unchanged from last month.

Rice. Production is forecast at 208 million cwt, up 1% from September 1 and 9% above last year. If realized, this will be a record high. Area for harvest is expected to total 3.29 million acres, unchanged from last month but 8% above a year ago. Yields are expected to average a record high 6,328 pounds per acre, an increase of 56 pounds from last month and up 47 pounds from 2000. Record yields are forecast in Arkansas, Louisiana, Mississippi, and Missouri. The market year average price is expected to average between \$4.00 and \$4.50 per cwt compared to \$5.56 per cwt for the 2000 crop.

Other Crops. Durum Wheat production, at 83.6 million bushels, is down 3% from September 1 and 24% less than last year. **Other Spring Wheat** production is estimated at 513 million bushels, down 1% from the last forecast and 8% below a year ago. **Grain Sorghum** production is forecast at 536 million bushels, slightly below the September forecast but up 14% from 2000. **Barley** production is estimated at 250 million bushels, down 5% from September and 22% below last year's estimate. The **peanut crop** is expected to be up 19% from last year, and **all tobacco** production is down 1% from last year.

Cattle. At mid-October, prices for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$67 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$88 per cwt in mid-October, down \$3 from mid-September.

Hogs. During the first two weeks of October slaughter has been running even with a year ago. Prices at mid-October (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$38 per cwt, down \$7 from mid-September. Fourth quarter prices are expected to average around \$43 per cwt.

Other Livestock. September **milk production** was down 0.7% from the previous year. Production per cow increased 0.4%, however, the number of cows decreased 0.9%. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of October. During August, total **cheese production** was 2.9% below the previous year, **butter production** was down 8.5% and **nonfat dry milk production** was down 9.1%. US table **egg production** during September 2001 totaled 5.99 billion, up 3% from September 2000. Wholesale market **egg prices** for the fourth quarter of 2001 (Grade A large, New York) are expected to average 74-77 cents per dozen, compared with 83.1 cents a year ago. First quarter 2002 egg prices are expected to average 66-70 cents per dozen, compared with 75.8 cents a year earlier. **Broiler**-Type chicks hatched during September 2001 totaled 730 million, up 4% from last year. Cumulative Broiler-Type Placements in 15 selected states thru October 13, 2001, were 6.02 billion, 1% above a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2001 is expected to be 57-59 cents, compared with 57.6 cents from the fourth quarter of last year. First quarter 2002 broiler prices are expected to average 56-60 cents per pound, compared with the 57.8 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through August 2001 were 300 million, 1% above the same period a year ago. Placements in September 2001, at 22.4 million, were down 3% from last September. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2001 are expected to be 72-74 cents compared with 76.2 cents for the fourth quarter last year. Turkey prices for the first quarter of 2002 are expected to average 60-64 cents per pound, compared with the 61.7 cents average for the first quarter of 2001. **Supplies in refrigerated warehouses** at the end of September 2001 compared with a year earlier were: total chicken, down 24%; turkey, up 2%; pork, down 16%; bellies, down 58%; beef, down 6%; frozen orange juice, up 14%; butter, up 22%; and American cheese, down 13%.

Trade. September U.S. **trade projections** for corn and pork improved while 2001/2002 export prospects for wheat, soybeans, and beef declined, compared with last month. Rice, cotton, broilers, and turkeys were unchanged from August. September projections for the volume of exports for the 2001/2002 marketing year compared to 2000/2001 are: **wheat** down 3%; **corn** up 6%; **rice** up 4%; **soybeans** down 2%; **soybean meal** down 2%; **soybean oil** up 73%; and **cotton** up 33%. September projections for the volume of meat exports in calendar 2002 compared to 2001 are: **beef** up 4%; **pork** down 7%; **broilers** up 3%; and **turkeys** up 1%. The U.S. **trade deficit** for goods and services decreased to \$27.1 billion in August, from a revised \$29.2 billion in July. The U.S. **agricultural trade surplus** was \$1304.3 million in August, compared with \$715.4 million in July.

Prices. The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.5% in September and has increased 2.6% over the last 12 months. The **PPI** increased 0.4% in September, and has increased 1.6% for the 12-month period ending in September. The September **prime rate**, averaging 6.28%, was down from 6.67% in August. Compared to a year earlier, **feed prices** in September were up 14%; **feeder livestock and poultry prices** were up 7%; **fertilizer** down 1%; **ag chemicals** down 2%; **farm machinery** up 1%; **seeds** up 7% and **fuels** down 17%.

World Weather and Crop Developments (October 8-14). In the **United States** widespread, heavy precipitation halted row crop harvest and seeding of winter grains in the lower Mississippi Valley and central Corn Belt after midweek. Adjacent areas of the southern Great Plains, western Corn Belt, and Southeast also experienced fieldwork delays. Meanwhile, mostly dry weather aided fieldwork in the Atlantic Coast States and in the Southwest. Light showers briefly delayed seeding of winter grains in parts of the Great Plains, but the precipitation was beneficial for germination and early growth. The Pacific Northwest received much-needed precipitation, but moisture shortages remained. Mostly dry weather helped summer crop harvesting in **Ukraine**, while farther east, showers favored emerging winter wheat in North Caucasus, **Russia**. In **Australia** showers overspread the east, benefiting immature winter grains and oilseeds and boosting moisture reserves for summer crop establishment. Rain continued in oilseed and cotton areas of central and southern **India**, benefiting immature crops and increasing irrigation reserves for dry-season cropping. In South **Africa** dry weather supported seasonal fieldwork, including preparations for corn planting. Chronic warmth and dryness in the **Middle East** continued to limit moisture for early winter wheat development. Showers slowed rice harvesting throughout **Indochina** and the **Philippines**. Light rain brought some relief to the North **China** Plain, while rain benefited winter grains in the Yangtze Valley. Widespread heavy rain disrupted rice harvesting in the **Korean Peninsula** and **Japan**. Across the region, widespread rain continued to boost soil moisture for summer crop planting, but raised concerns about winter wheat quality in **Argentina** and **Brazil**.

Other News. The current set of **commodity-related government payments** has added nearly \$62 billion to U.S. farmland values, as farmland value depends largely on expected future earnings, including program payments. Despite record supplies and lower prices, U.S. **rice exports** are projected to increase just 3% in 2001/02, as large exportable supplies in major exporting countries and low international prices limit U.S. export gains. **The U.S. Environmental Protection Agency (EPA)** is reviewing the risks of 38 organophosphate (OP) pesticides, which are widely used in agriculture. So far, more of these have been identified with drinking water, nonoccupational exposure, worker safety, and ecological risks than with dietary risks. **Slow production growth** thus far this year, in tandem with a strong export market, has lowered stocks and increased the prices of most broiler products.
