NASS Monthly Ag. Newsletter

NASS-NF66 "The Fact Finders for U.S. Agriculture" January 2003

The NASS monthly newsletter is published by the U. S. Department of Agriculture, National Agricultural Statistics Service (NASS), 1400 Independence Avenue, S.W., Washington, D.C. 20250.

For your convenience, all NASS reports are available free of charge on the Internet: http://www.usda.gov/nass/ or via autofax by dialing 202-720-2000 from your fax machine.

For further information on these topics e-mail your inquiry to nass@nass.usda.gov. or call 800-727-9540.

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.

Cotton. The 2002 cotton production is estimated at 17.1 million bales, down 1 percent from last month and 16 percent less than last year's record high production. Yield is expected to average 663 pounds per harvested acre, down 42 pounds per harvested acre from a year ago. The World Agricultural Outlook Board ending stocks are projected at 6.30 million bales for the United States, down 200,000 bales from last month. World ending stocks of 37.9 million bales are 2 percent below last month's projection.

Corn. The 2002 corn production is estimated at 9.01 billion bushels, down 5% from last year. The average U.S. grain yield is estimated at 130.0 bushels per acre, 2.4 bushels above the November forecast but down 8.2 bushels from 2001. Corn stocks in all positions on December 1, 2002 totaled 7.63 billion bushels, down 8% from December 1, 2001. A market year average price between $2.15 and $2.55 per bushel is expected, compared to $1.97 for the 2001 crop.

Soybeans. The 2002 soybean crop is estimated 2.73 billion bushels, up 1% from the November 1 forecast but 6% below 2001. The average yield per acre in 2002 is estimated at 37.8 bushels, 0.3 bushel above the November 1 forecast but 1.8 bushels below the 2001 yield. Soybeans stored in all positions on December 1, 2002 totaled 2.11 billion bushels, down 7% from December 1, 2001. A market year average price is projected between $5.10 and $5.80 per bushel, compared with $4.38 for the 2001 crop year.

Wheat. All wheat production for 2002 is estimated at 1.62 billion bushels, 17% below last year, and less than 1% lower than the *Small Grains 2002 Summary*. This is the lowest production since 1972. All updates to the *Small Grains 2002 Summary* were previously published in the November 2002 *Crop Production* report. The market year average price is expected to average between $3.50 and $3.80 per bushel compared to $2.78 for the 2001 crop.

Rice. U.S. rice production for 2002 is forecast at 211 million cwt, down fractionally from the November 1 forecast and down 2% from 2001. The average yield per acre for all rice is estimated at 6,578 pounds per acre, 33 pounds below the November 1 forecast. This all rice yield is the highest on record. The market year average price is expected to average between $3.65 and $3.95 per cwt compared to $4.17 per cwt for the 2001 crop.

Other Crops. Grain sorghum production is estimated at 370 million bushels, 28% below 2001. The **peanut crop** is estimated at 3.32 billion pounds, down 22% from last year. **Sugarbeet** production is estimated at 27.6 million tons, 7% above last year. Production of **sugarcane** for sugar and seed totaled 35.9 million tons, up 4% from the previous year.

Cattle. Mid-January **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $80 per cwt, up $8 from mid-December. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly $82 per cwt, down $2 from a month ago.

Hogs. For the first two weeks of January, hog **slaughter** was running nearly 103.8% of a year ago, however, this is influenced by high slaughter during a holiday week. Cash **prices** at mid-January (Iowa-Southern Minnesota direct, 51-52% lean) averaged $34 per cwt, up $4 from the mid-December price. Fourth quarter prices are expected to average $36 per cwt.

Other Livestock. December **milk production** was up 1.8% from the previous year. Production per cow increased 1.2%, 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 January. Total **cheese** production reported for the month of November 2002 was 3.0% above the previous year. **Butter** production during this same time period was 3.1% above last year. Production of **nonfat dry milk for human food** was down 10.2% from November, 2001. US table **egg production** during November 2002 totaled 6.23 billion, up 1% from November 2001. Wholesale market **egg prices** for the first quarter of 2003 (Grade A large, New York) are expected to average 69-71 cents per dozen, compared with 69.1 cents a year ago. Second quarter 2003 egg prices are expected to average 58-62 cents per dozen, compared with 58.4 cents a year earlier. **Broiler**-Type chicks hatched during November 2002 totaled 690 million, down 2% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending January 18, 2003, were 164 million, 3% below a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter of 2003 is expected to be 56-58 cents, compared with 56.0 cents from the first quarter of last year. Second quarter 2003 broiler prices are expected to average 56-60 cents per pound, compared with the 56.1 cents for a year earlier. Turkey Poult Placements in December 2002, at 24.2 million, were down 1% from last December. Cumulative placement for the 2003 marketing year are 94.7 million poults, down 1% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the first quarter of 2003 are expected to be 60-62 cents compared with 60.0 cents for the first quarter last year. Turkey prices for the second quarter of 2003 are expected to average 62-66 cents per pound, compared with the 62.9 cents average for the second quarter of 2002. **Supplies in refrigerated warehouses** at the end of December 2002 compared with a year earlier were: total chicken, up 7 percent; turkey, up 39; pork, up 1; bellies, down 36; beef, unchanged; frozen orange juice, up 7; butter, up 182 and American cheese, up 10.

Trade. January U.S. **trade projections** for soybeans improved while 2002/2003 export prospects for wheat and corn declined, compared with last month. Rice, cotton, beef, pork, broilers, and turkeys were unchanged from December. January projections for the volume of exports for the 2002/2003 marketing year compared to 2001/2002 are: **wheat** down 4%; **corn** down 2%; **rice** up 12%; **soybeans** down 12%; **soybean meal** down 20%; **soybean oil** down 9%; and **cotton** down 2%. January projections for the volume of meat exports in calendar 2003 compared to 2002 are: **beef** up 3%; **pork** up 2%; **broilers** up 8%; and **turkeys** up 7%. The **U.S. trade** deficit for goods and services increased to $40.1 billion in November, from a revised $35.2 billion in October. The **U.S. agricultural trade** surplus was $1.5 billion in November, compared with $1.2 billion in October.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased .2% in December but has increased 2.4% over the last 12 months. The **PPI** was unchanged from November but has increased 1.2% over the last 12 months. The December **prime rate**, averaging 4.25%, is down from the November average of 4.35%. Compared to a year earlier, **feed** prices in December were up 6%; **feeder livestock and poultry** down 1%; **fertilizer** up 6%; **ag chemicals** down 3%**, farm machinery** prices were unchanged, **seeds** up 7% and **fuels** up 54%.

World Weather and Crop Developments (January 5-12). In the **United States** unseasonably warm weather prevailed across most of the Nation during the week. Many locations in the upper Mississippi Valley and northern Great Plains experienced record and near-record daily highs. Winter wheat fields on the northern High Plains benefited from the mild weather, but remained exposed to potentially damaging winds and cold weather. In the southern Great Plains, above normal temperatures promoted vigorous growth of winter grains and forages until a late-week cold front delivered freezing temperatures as far south as central Texas. Temperatures averaged near normal along the eastern Gulf Coast, with below-freezing overnight lows reaching Florida's citrus region. Some young citrus trees suffered minor bloom injury, but there was no significant leaf burn or wood damage. Also, maturing fruit experienced very little damage. Most of the Nation also experienced dry weather during the week. The persistent stormy weather pattern abated in the Pacific Northwest and favorably dry weather returned to the Southeast. Precipitation hampered some field and orchard work in northern California, but delays were mostly brief. Winter tillage and other field work resumed in parts of the southern Great Plains, lower Mississippi Valley, and Southeast. Moderate to heavy snow preceded a return of bitterly cold weather in major winter wheat producing areas of **Ukraine** and southern **Russia**. Unseasonably cold weather covered northern and western **Europe**, stressing winter crops in northern France and England, while stormy weather in southern Europe maintained adequate to abundant moisture supplies for winter grains. Across **Turkey** and northern **Iran**, unseasonably warm weather melted protective snow cover and caused winter grains to lose winter hardiness. Widespread rain boosted soil moisture for emerging to vegetative winter grains, while cold weather burned back vegetative wheat in **Algeria**. In **Australia** hot, dry weather encompassed major crop producing areas, stressing summer crops and offering no relief from the severe drought. Cool, wet weather slowed rice development in northern **Vietnam**. Moderating temperatures favored overwintering wheat on the North **China** Plain. Scattered showers maintained abundant moisture reserves for summer crops throughout **Argentina** and **Brazil**. In South **Africa** widespread rain and unseasonably cool weather overspread the corn belt, benefitting emerging to early reproductive summer crops.

- - - - - - - - - -

To order printed copies of NASS reports, call the toll-free sales order desk direct at 1-800-999-6779. For further information on NASS programs, products, and services call toll-free 1-800-727-9540. The next newsletter will be issued on February 24, 2003.