

NASS

Monthly Ag. Newsletter

NASS-NF71

"The Fact Finders for U.S. Agriculture"

June 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.

Wheat. Winter wheat production is forecast at 1.63 billion bushels, up 4% from May 1, and up 42% from last year. Based on June 1 conditions, the U.S. yield is forecast at 44.6 bushels per acre, up 1.7 bushels from the May forecast. Grain area totals 36.4 million acres, unchanged from last month. The World Agricultural Outlook Board (WAOB) projected U.S. 2003/04 ending stocks of all wheat are up 93 million bushels from last month due to larger supplies and unchanged use. The projected price range for 2003/04 is \$2.90 to \$3.50 per bushel, compared with an estimated \$3.56 for 2002/03.

Corn. The U.S. 2003 corn crop is projected at 10.06 billion bushels by the WAOB, unchanged from last month, but up 12% from last year. Ending stocks of corn are forecasted to be 25 million bushels above last month due to lower prospective exports. Prospective exports are reduced due to increased competition from Argentina and Brazil. The projected price range for the 2003 corn crop is \$1.90 to \$2.30 per bushel, compared with \$2.25 to \$2.35 for 2002/03.

Soybeans. U.S. 2003 soybean output is projected by the WAOB at 2.86 billion bushels, no change from last month, but up 5% from 2002. Ending stocks for the 2003/04 season are forecast at 250 million bushels, up 5 million bushels from last month. Projected exports are projected at 960 million bushels, no change from last month. Soybean prices for 2003/04 are projected at \$4.45 to \$5.45 per bushel, compared \$5.50 for 2002/03.

Cotton. The U.S. 2003 cotton production is projected by the WAOB at 17.2 million bales, the same as last month. Lower beginning and ending stocks were also projected. Domestic mill use was reduced as recent activity indicates a slightly more pessimistic outlook. World projections reflect lower production and stock prospects. World production is lower due to unfavorable early-season conditions in some key cotton-producing regions.

Cattle. Mid-June **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$79 per cwt, unchanged from mid-May. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were \$86 per cwt, up \$3 from a month ago.

Hogs. During the first two weeks of June, hog **slaughter** has been nearly level with a year ago. Cash **prices** at mid-June (Iowa-Southern Minnesota direct, 51-52% lean) were \$48 per cwt, up \$4 from mid-May. Second quarter prices are expected to average \$42 per cwt.

Other Livestock. May **milk production** was down 0.4% from the previous year. Production per cow decreased 0.5%, and the number of cows increased 0.2% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of June. Total **cheese** production reported for the month of April, 2003 was 0.4% above the previous year. **Butter** production during this same time period was 6.3% below the previous April. **Nonfat** dry milk production was down 8.4% from the previous year. US table **egg production** during May 2003 totaled 6.15 billion, down slightly from May 2002. Wholesale market **egg prices** for the second quarter of 2003 (Grade A large, New York) are expected to average 72-73 cents per dozen, compared with 58.4 cents a year ago. Third quarter 2003 egg prices are expected to average 73-77 cents per dozen, compared with 65.3 cents a year earlier. **Broiler-**Type chicks hatched during May 2003 totaled 792 million, down 1% from last year. Weekly Broiler-

Type Placements in 19 selected states for the week ending June 14, 2003, were 173 million, up slightly from a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2003 is expected to be 59-60 cents, compared with 56.1 cents from the second quarter of last year. Third quarter 2003 broiler prices are expected to average 59-63 cents per pound, compared with the 56.4 cents for a year earlier. Turkey Poult Placements in May 2003, at 24.9 million, were down 2% from last May. Cumulative placement for the 2003 marketing year are 218 million poualts, down 2% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2003 are expected to be 61-62 cents compared with 62.9 cents for the second quarter last year. Turkey prices for the third quarter of 2003 are expected to average 64-68 cents per pound, compared with the 66.7 cents average for the third quarter of 2002. **Supplies in refrigerated warehouses** at the end of May 2003 compared with a year earlier were: total chicken, down 17%; turkey, up 13%; pork, down 9%; bellies, down 26%; beef, down 3%; frozen orange juice, up 5%; butter, up 30% and American cheese, up slightly.

Trade. June U.S. **trade projections** for rice improved. Wheat, corn, soybeans, cotton, beef, pork, broilers, and turkeys were unchanged from May. June projections for the volume of exports for the 2003/2004 marketing year compared to 2002/2003 are: **wheat** up 10%; **corn** up 16%; **rice** down 24%; **soybeans** down 5%; **soybean meal** down 20%; **soybean oil** down 14%; and **cotton** up 1%. June projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 4%; **pork** up 2%; **broilers** up 5%; and **turkeys** up 6%. The **U.S. trade** deficit for goods and services decreased to \$42.0 billion in April, from a revised \$42.9 billion in March.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.2% in May but has increased 2.1% over the last 12 months. The **PPI** decreased 0.3% in May but has increased 2.5% over the last 12 months. The May **prime rate**, averaging 4.25%, has been unchanged since December 2002. Compared to a year earlier, **feed** prices in May were up 5%; **feeder livestock and poultry** were up 4%; **fertilizer** up 23%; **ag chemicals** up 2%, **farm machinery** down 1%, **seeds** up 9% and **fuels** up 20%.

World Weather and Crop Developments (May 8-15). In the **United States**, warm and dry weather conditions continued in the Pacific Northwest, which resulted in irrigating some crops earlier or more than normal. In northern California, the warm and dry conditions accelerated crop developmet after a wetter and cooler than normal spring. temperatures remained above freezing in the northern Rocky Mountains, enhancing crop development. Widely scattered showers in the Great Plains delayed spraying and stopped some growers from planting. Severe weather moved across most of the southern Great Plains and Delta States, providing beneficial precipitation for crop development. Soil moisture levels were mostly adequate in the central Great Plains. Rain fell across the Corn Belt with the heaviest showers occurring in the central and eastern portions. This precipitation along with warm temperatures promoted growth and crop development. Fieldwork and crop development were delayed by continued wet conditions across the Southeast and along the Atlantic Coastal Plains. Across southern **Europe**, a severe heat wave stressed summer crops but benefited maturing winter grains. On-going drought conditions stretched from **Moldova** eastward through **Ukraine** into southern **Russia**, negatively affecting winter wheat in the filling stage and increasing stress on spring-sown crops. Warm, showery weather favored rapid spring grain emergence in Siberia, Russia, while unseasonably cool weather hampered crop emergence in Kazakstan. Across the **Middle East**, seasonably warm, dry weather benefited filling to maturing winter grains. Dry weather reduced moisture supplies for rice and corn in **Thailand**. Light showers maintained topsoil moisture in parts of South **Australia** and western Victoria, while dry weather elsewhere reduced moisture supplies for winter grains. On the Prairies of **Canada**, mild, showery weather benefited emerging spring grains and oilseeds. Widespread showers covered the entire Corn Belt of **Mexico**, boosting soil moisture for summer crop planting and germination, especially in the west. Mostly dry, warmer-than-normal weather aided fieldwork and protected crops from potential freeze damage in **South America**.

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 July 25, 2003.