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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 2.34 billion bushels in 2003, up 2% from the last forecast and 44% above 2002. Grain area harvested is 52.8 million acres, up 15% from last year. The U.S. yield is 44.2 bushels per acre, up 8.9 bushels from last season. The World Agricultural Outlook Board (WAOB) projected 2003/04 ending stocks are down 11 million bushels from last month as a 45 million bushel increase in production is more than offset by reduced imports and increased feed and residual use. A market year average price between \$3.10 and \$3.40 per bushel is expected, compared to \$3.56 for the 2002 crop.

Corn. The October forecast for 2003 corn production is 10.2 billion bushels, up 3% from the last forecast and 13% above 2002. Based on October 1 conditions, yields are expected to average 142.2 bushels per acre, up 3.7 bushels from last month and up 12.2 bushels from a year ago. If realized, both production and yield would be the largest ever. WAOB projected corn feed and residual use is increased by 75 million bushels but food and industrial use is lowered by 25 million bushels because of reduced demand for high-fructose corn syrup. Projected U.S. ending stocks are up 289 million bushels from last month. A market year average price between \$1.90 and \$2.30 per bushel is expected, compared to \$2.32 for the 2002 crop.

Soybeans. The 2003 soybean crop is forecast at 2.47 billion bushels, down 7% from the September forecast and 10% below 2002. The yield forecast, at 34.0 bushels per acre, is down 2.4 bushels from last month and down 4.0 bushels from 2002. Ending stocks are projected by the WAOB at 130 million bushels, down 5 million bushels from last month. Soybean crush is reduced by 45 million bushels from last month as higher soybean meal prices reduce domestic meal use and export prospects. Soybean exports are decreased by 70 million bushels due to reduced domestic supplies and larger foreign production. A market year average price is projected between \$6.05 and \$6.95 per bushel, compared to \$5.53 for the 2002 crop.

Cotton. All cotton production is forecast at 17.6 million 480-pound bales, up 4% from last month and 2% above last year's production. Yield is expected to average 696 pounds per acre, up 29 pounds from last month. According to WAOB, domestic mill use is projected lower, reflecting sluggish early-season activity. Export projections, unchanged from last month, are at a record 12.0 million bales. World projections include higher production and lower consumption, which are boosting world stocks. Larger supplies and lower consumption result in reductions to trade. However, these are largely offset by a significant increase in China's imports, based on recent strong demand by Chinese mills.

Rice. U.S. rice production is forecast at 197 million cwt, down fractionally from September 1 and 6% below last year. Yields are expected to average a record high 6,624 pounds per acre, a decrease of 31 pounds from last month but up 46 pounds from 2002. Record high yields are forecast in Arkansas, Louisiana, and Missouri. The market year average price is projected between \$6.10 and \$6.60 per cwt, compared to \$4.22 per cwt for the 2002 crop.

Other Crops. **Durum Wheat** production, at 96.6 million bushels, is up 11% from August 1 and 22% more than last year. **Other Spring Wheat** production is estimated at 533 million bushels, up 8% from the last forecast and 35% above a year ago. **Barley** production is estimated at 276 million bushels, down 2% from the last forecast but up 22% from last year's estimate. **Grain Sorghum** production is forecast at 401 million bushels, down 2% from the September forecast but up 8% from 2002. The **peanut crop** is expected to be up 19% from last year.

Cattle. Mid-October **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$110 per cwt, up \$17 from mid-September. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were \$108 per cwt, up \$4 from a month ago.

Hogs. Through the first two weeks of October, hog **slaughter** was running roughly 2.5% above a year ago. Cash **prices** at mid-October (Iowa-Southern Minnesota direct, 51-52% lean) averaged \$38 per cwt, down \$4 from the mid-September price. Fourth quarter prices are expected to average \$38 per cwt.

Other Livestock. September **milk production** was down 0.1% from the previous year. Production per cow increased 0.4%, while the number of cows decreased 0.5% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of October. Total **cheese** production reported for the month of August, 2003 was 0.8% below the previous year. **Butter** production during this same time period was 21.1% below last year. Production of **nonfat dry milk for human food** was down 14.9% from August, 2002. US table **egg production** during September 2003 totaled 6.04 billion, down 1% from September 2002. Wholesale market **egg prices** for the Fourth quarter of 2003 (Grade A large, New York) are expected to average 93-97 cents per dozen, compared with 75.5 cents a year ago. First quarter 2004 egg prices are expected to average 82-88 cents per dozen, compared with 77.2 cents a year earlier. **Broiler**-Type chicks hatched during September 2003 totaled 739 million, down slightly from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending Oct. 18, 2003, were 160 million, up 3% from a year ago. Cumulative placements for the 19 selected states for the week ending October 18, 2003 totaled 7.03 billion, 1% below the 7.08 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the Fourth quarter of 2003 is expected to be 61-63 cents, compared with 53.7 cents from the Fourth quarter of last year. First quarter 2004 broiler prices are expected to average 57-61 cents per pound, compared with the 60.3 cents for a year earlier. **Turkey** Poults Placements in September 2003, at 22.2 million, were down 2% from last September. Cumulative placement for the 2004 marketing year are 22.2 million poults, down 2% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the Fourth quarter of 2003 are expected to be 63-65 cents compared with 68.2 cents for the Fourth quarter last year. Turkey prices for the First quarter of 2004 are expected to average 59-63 cents per pound, compared with the 61.1 cents average for the First quarter of 2003. **Supplies in refrigerated warehouses** at the end of September 2003 compared with a year earlier were: total chicken, down 28%; turkey, down 3%; pork, down 9%; bellies, up 8%; beef, down 23%; frozen orange juice, up slightly; butter, down 2% and American cheese, up slightly.

Trade. October U.S. **trade projections** for beef and turkeys improved while 2003/2004 export prospects for soybeans and broilers declined, compared with last month. Wheat, corn, rice, cotton, and pork were unchanged from September. October projections for the volume of exports for the 2003/2004 marketing year compared to 2002/2003 are: **wheat** up 23%; **corn** up 13%; **rice** down 26%; **soybeans** down 16%; **soybean meal** down 17%; **soybean oil** down 62%; and **cotton** up 1%. October projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 1%; **pork** up 1%; **broilers** up 4%; and **turkeys** up 3%. The U.S. **trade** deficit for goods and services decreased to \$39.2 billion in August, from a revised \$40.0 billion in July. The U.S. **agricultural trade** surplus was \$769 million in August, compared with \$1.132 billion in July.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.3% in September and has increased 2.3% over the last 12 months. The **PPI** increased 0.3% in September and has increased 3.5% over the last 12 months. The September **prime rate**, averaging 4%, was unchanged since July. Compared to a year earlier, **feed** prices in September were down 10%; **feeder livestock and poultry** were up 17%; **fertilizer** up 17%; **ag chemicals** were unchanged; **farm machinery** up 1%, **seeds** up 9% and **fuels** up 11%.

World Weather and Crop Developments (October 12-19). In the **United States**, from the Pacific Coast to the middle of the Great Plains, temperatures were above normal, with little to no rainfall. Temperatures were well above normal in the Southwest, where record highs were set in Arizona. This warm, dry weather also extended into the northern Corn Belt, encouraging summer grain harvest and winter wheat planting. Moderate rainfall and below-normal temperatures only slightly delayed fieldwork in the southern Corn Belt and Ohio Valley. Despite the dry weather and near-normal temperatures in the Mississippi Delta and Southeast, crop development and fieldwork progressed slowly. In the Northeast, temperatures were near normal, but moderate to heavy rainfall caused pasture and range conditions to decline. Showers continued to boost topsoil moisture for winter wheat germination and establishment in extreme eastern **Ukraine** and the Southern Region in **Russia**. Across southern **Europe**, widespread rain boosted soil moisture supplies for winter grain germination and establishment, but topsoil moisture remained limited for winter grain germination in **England** and northern **Italy**. Dry weather prevailed throughout most of **India**, while unseasonable rains delayed harvesting in northern and central India. Dry weather covered the **Middle East**, favoring early winter grain planting and cotton maturation and harvesting in western **Turkey**. Showers in Western **Australia** maintained favorable conditions for filling winter wheat and barley, while drier weather in southeastern Australia reduced moisture supplies for immature winter grains. Across **Algeria** and **Tunisia**, widespread rain boosted topsoil moisture for pre-planting fieldwork for winter grains. Widespread showers continued to favor immature corn and tree crops across central and eastern **Mexico**, while drier weather eased excessive wetness elsewhere.

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