

# NASS

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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.

**Cotton.** The 2003 cotton production is estimated at 18.2 million bales, up fractionally from last month and 6 percent more than last year's production. Yield is expected to average a record high 725 pounds per acre, up 60 pounds from a year ago. The World Agricultural Outlook Board (WAOB) ending stocks for the United States are unchanged from last month. World ending stocks are raised slightly from last month's projection.

**Corn.** The 2003 corn production is estimated at 10.1 billion bushels, up 12% from last year. The average U.S. grain yield is estimated at 142.2 bushels per acre, 1.0 bushel below the November forecast but up 12.2 bushels from 2002. Both production and yield estimates are the largest on record. The previous record for both was set in 1994 when production was estimated at slightly below the 10.1 billion bushels being estimated for 2003 and yield was 138.6 bushels per acre. Corn stocks in all positions on December 1, 2003 totaled 7.94 billion bushels, up 4% from December 1, 2002. A market year average price between \$2.15 and \$2.45 per bushel is expected, compared to \$2.32 for the 2002 crop.

**Soybeans.** The 2003 soybean crop is estimated 2.42 billion bushels, down 1% from the November 1 forecast and 12% below 2002. This is the lowest production level since 1996. The average yield per acre for 2003 is estimated at 33.4 bushels, 0.4 bushel below the November 1 forecast and 4.6 bushels below the 2002 yield. Soybeans stored in all positions on December 1, 2003 totaled 1.69 billion bushels, down 20% from December 1, 2002. A market year average price is projected between \$6.90 and \$7.60 per bushel, compared with \$5.53 for the 2002 crop.

**Wheat.** All wheat production for 2003 is estimated at 2.34 billion bushels, unchanged from the *Small Grains 2003 Summary*, but 44% above last year. Wheat stocks in all positions on December 1, 2003 totaled 1.52 billion bushels, up 15% from December 1, 2002. The market year average price is expected to average between \$3.25 and \$3.45 per bushel compared to \$3.56 for the 2002 crop.

**Rice.** U.S. rice production for 2003 is forecast at 199 million cwt, up fractionally from the November 1 forecast but down 6% from 2002. The average yield per acre for all rice is estimated at 6,645 pounds per acre, 11 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 \$7.00 and \$7.50 per cwt compared to \$4.22 per cwt for the 2002 crop.

**Other Crops.** **Grain sorghum** production is estimated at 411 million bushels, 11% above 2002. The **peanut crop** is estimated at 4.14 billion pounds, up 25% from last year. **Sugarbeet** production is estimated at 30.6 million tons, 10% above last year. Estimated production of **sugarcane** for sugar and seed totaled 34.4 million tons, down 3% from the previous year.

**Cattle.** Mid-January **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$82 per cwt, down \$13 from mid-December. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$86 per cwt, down \$10 from a month ago.

**Hogs.** For the first two weeks of January, hog **slaughter** was running nearly 3.9% above a year ago. Cash **prices** at mid-January (Iowa-Southern Minnesota direct, 51-52% lean) averaged \$37 per cwt, up \$1 from the mid-December price. First quarter prices are expected to average \$38 per cwt.

**Other Livestock.** December **milk production** was down 0.3% from the previous year. Production per cow increased 0.8%, while the number of cows decreased 1.2% 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, 2003 was 1.0% below the previous year. **Butter** production during this same time period was 15.2% below last year. Production of **nonfat dry milk for human food** was up 3.3% from November, 2002. US table **egg production** during November 2003 totaled 6.25 billion, up 1% from November 2002. Wholesale market **egg prices** for the first quarter of 2004 (Grade A large, New York) are expected to average 93-97 cents per dozen, compared with 77.2 cents a year ago. Second quarter 2004 egg prices are expected to average 82-88 cents per dozen, compared with 73.9 cents a year earlier. **Broiler**-Type chicks hatched during November 2003 totaled 708 million, up 3% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending Jan. 17, 2004, were 166 million, up 2% from a year ago. Cumulative placements for the 19 selected states for the period December 27, 2003 - January 17, 2004 totaled 502 million, up 2% from the 490 million chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter of 2004 is expected to be 61-63 cents, compared with 60.3 cents from the first quarter of last year. Second quarter 2004 broiler prices are expected to average 62-66 cents per pound, compared with the 59.6 cents for a year earlier. **Turkey Poults** placements in December 2003, at 23.4 million, were down 2% from last December. Cumulative placements for the 2004 marketing year are 90.6 million poults, down 4% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the first quarter of 2004 are expected to be 60-62 cents compared with 61.1 cents for the first quarter last year. Turkey prices for the second quarter of 2004 are expected to average 60-64 cents per pound, compared with the 60.6 cents average for the second quarter of 2003. **Supplies in refrigerated warehouses** at the end of December 2003 compared with a year earlier were: total chicken, down 21%; turkey, up 6%; pork, unchanged; bellies, up 73%; beef, down 25%; frozen orange juice, down 3%; butter, down 37% and American cheese, unchanged.

**Trade.** January U.S. **trade projections** for wheat, corn, rice, soybeans, pork, broilers, and turkeys improved while 2003/2004 export prospects for beef declined, compared with last month. Cotton was unchanged from December. January projections for the volume of exports for the 2003/2004 marketing year compared to 2002/2003 are: **wheat** up 32%; **corn** up 24%; **rice** down 20%; **soybeans** down 14%; **soybean meal** down 29%; **soybean oil** down 62%; and **cotton** up 11%. January projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** down 91%; **pork** up 3%; **broilers** up 4%; and **turkeys** up 5%. The U.S. **trade deficit** for goods and services decreased to \$38.0 billion in November, from a revised \$41.6 billion in October. The U.S. **agricultural trade surplus** was \$271 million in November, compared with \$1.340 billion in October.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.1% in December but has increased 1.9% over the last 12 months. The **PPI** increased 0.3% in December and has increased 4.0% over the last 12 months. The December **prime rate**, averaging 4%, was been unchanged since July. Compared to a year earlier, **feed** prices in December were up 13%; **feeder livestock and poultry** were up 9%; **fertilizer** up 17%; **ag chemicals** up 1%; **farm machinery** up 1%, **seeds** up 9% and **fuels** up 11%.

**World Weather and Crop Developments** (January 11-18). In the **United States**, throughout the Great Plains and western Corn Belt, temperatures were very mild, with record highs in many locations. Temperatures were below normal along the Atlantic Coast, particularly in the Northeast, where record lows were recorded. The Great Basin also had below-normal temperatures, while temperatures were above normal in the Pacific Coast States, Mississippi Delta, and most of the Southeast. Dry conditions persisted in the northern and central Great Plains, Rocky Mountains, and Southwest. The southern Great Plains had moderate to heavy rainfall, with moderate precipitation extending into adjacent areas of the Mississippi Valley and Gulf Coast. Precipitation was light in the Southeast, Ohio Valley, and Northeast. In **China**, conditions remained generally favorable for overwintering wheat and rapeseed. Showers increased moisture supplies for rice and corn in **Indonesia**. Soaking rain overspread drought-plagued eastern **Australia**, providing beneficial moisture for cotton and sorghum but causing local flooding. Moisture reserves in **South Africa** remained limited for normal development of corn and other summer crops.

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