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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.

Corn. U.S. corn ending stocks for the 2004/05 marketing year are forecast by World Agricultural Outlook Board (WAOB) to total 2.01 billion bushels, up 50 million bushels from the previous forecast, and 1.05 billion bushels above the 2003/04 marketing year. Projected exports were decreased 50 million bushels from last month due to increased competition from Argentina and smaller imports by Canada. The average price for the 2004 crop is expected to be between \$1.85 and \$2.05 per bushel.

Soybeans. Ending U.S. soybean stocks for the 2004/05 marketing year are forecast by WAOB to total 440 million bushels, up 5 million bushels from the previous forecast and 328 million bushels above the 2003/04 marketing year. If realized, this would be the highest ending stocks level since 1985/86. Exports remained unchanged from last month, while crush prospects decreased by 5 million bushels, reflecting lower domestic soybean meal demand. The average price for the 2004 crop is expected to be between \$4.80 and \$5.40 per bushel.

Wheat. U.S. wheat ending stocks for the 2004/05 marketing year are forecast by WAOB to total 558 million bushels, down 25 million bushels from last month due to increased exports. Projected exports are 25 million bushels above last month because of increased world import demand and stronger-than-expected sales of hard bread wheats. Hard Red Spring wheat exports are 15 million bushels more than last month; Hard Red Winter exports are up 12 million bushels; and White wheat exports are up 5 million bushels. Soft Red Winter wheat exports are down 5 million bushels and Durum exports are 2 million bushels lower than last month. The average price for the 2004 crop is expected to be between \$3.30 and \$3.45 per bushel.

Cattle. Mid-February **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$89 per cwt, down \$2 from mid-January. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$104 per cwt, down \$3 from a month ago.

Hogs. For the first two weeks of February, hog **slaughter** was running 2.4% above a year ago. Cash **prices** at mid-February (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged \$49 per cwt, down \$4 from the mid-January price. First quarter prices are expected to average \$52 per cwt.

Other. January **milk production** was up 1.3% from the previous year. Production per cow increased 0.8%, while the number of cows increased 0.5% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of February. Total **cheese** production reported for the month of December, 2004 was 1.8% above the previous year. **Butter** production during this same time period was 14.8% above last year. Production of **nonfat dry milk for human food** was down 24% from December, 2004. US table **egg production** during December 2004 totaled 6.62 billion, up 2% from December 2003. Wholesale market **egg prices** for the first quarter of 2005 (Grade A large, New York) are expected to average 66-68 cents per dozen, compared with 114.9 cents a year ago. Second quarter 2005 egg prices are expected to average 60-64 cents per dozen, compared with 79.7 cents a year earlier. **Broiler**-Type chicks hatched during December 2004 totaled 793 million, up 2% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending February 12, 2005, were 176 million, up 5% from a year ago. Cumulative placements for the 19 selected states for the period January 2, 2005 - February 12, 2005 totaled 1.04 billion, up 4% from the 1.00 million chicks placed for the same

Page 2- Monthly Ag. Newsletter

period a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter of 2005 is expected to be 71-73 cents, compared with 73.2 cents from the first quarter of last year. Second quarter 2005 broiler prices are expected to average 71-75 cents per pound, compared with the 79.3 cents for a year earlier. Turkey Poults Placements in January 2004, at 21.9 million, were down 6% from last January. Cumulative placements for the 2005 marketing year are 108 million poults, down 5% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the first quarter of 2005 are expected to be 66-68 cents compared with 62.1 cents for the first quarter last year. Turkey prices for the second quarter of 2005 are expected to average 67-71 cents per pound, compared with the 66.6 cents average for the second quarter of 2004. **Supplies in refrigerated warehouses** at the end of January 2004 compared with a year earlier were: total chicken, up 19%; turkey, down 19%; pork, up 1%; bellies, up 1%; beef, up 5%; frozen orange juice, down 8%; butter, down 50% and American cheese, down 7%.

Trade. February U.S. **trade projections** for wheat, cotton, pork, and broilers improved while 2004/2005 export prospects for corn declined, compared with last month. Rice, soybeans, beef, and turkeys were unchanged from January. February projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 12%; **corn** up slightly; **rice** unchanged; **soybeans** up 14%; **soybean meal** up 31%; **soybean oil** up 40%; and **cotton** down 6%. February projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 44%; **pork** up 5%; **broilers** up 7%; and **turkeys** up 16%. The **U.S. trade** deficit for goods and services decreased to \$56.4 billion in December, from a revised \$59.3 billion in November. The U.S. agricultural trade surplus was \$800 million in December, compared with \$1.2 billion in November.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.2% in January but has increased 3.0% over the last 12 months. The **PPI** increased 0.3% in January and has increased 4.2% over the last 12 months. The January **prime rate**, averaging 5.25%, was up from 5.15% in December. Compared to a year earlier, **feed** prices in January were down 14%; **feeder livestock and poultry** were up 18%; **fertilizer** up 13%; **ag chemicals** were down 1%; **farm machinery** up 11%, **seeds** up 1% and **fuels** up 9%.

World Weather and Crop Developments (February 6-13). Across most of the **United States**, temperatures averaged above normal. In the Corn Belt and Ohio Valley, average temperatures exceeded the normal by over 6 degrees Fahrenheit, while some areas of New England saw temperatures as much as 15 degrees Fahrenheit above normal. Below-normal temperatures prevailed along the Pacific Coast, in the Intermountain West, and in parts of the central Great Plains and Florida. Toward the beginning of the week, a band of precipitation moved across the eastern half of the Nation, bringing moderate to heavy rain to the Mississippi Delta and surrounding areas but lighter precipitation along the east Coast. In the Northeast, however, up to 3 feet of snow was reported in some areas. Another system developed over the Southwest after midweek, dropping over 6 inches of rain in some areas. The Pacific Northwest, northern and central Rocky Mountains, northern Great Plains, and northern Corn Belt were mostly dry, with only light, scattered precipitation. The northern Great Plains remained mostly free of snow cover, leaving the winter wheat crop unprotected. Snow cover protected winter grains from bitter cold in Southeastern **Europe**. Scattered showers fell across eastern **Australia**, favoring cotton and sorghum. Heavy snow provided beneficial moisture to **Iran's** winter wheat areas. Much-needed rain fell over **Morocco's** central and western wheat areas. Seasonably heavy showers favored rice in **Indonesia**. Warmth and dryness stressed immature soybeans in Rio Grande do Sul, **Brazil**. Beneficial rain covered most major crop areas, increasing moisture for immature summer grains, oilseeds, and cotton in **Argentina**.

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