

NASS

Monthly Ag. Newsletter

NASS-NF99

"The Fact Finders for U.S. Agriculture"

October 2005

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/>.

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. All wheat production totaled 2.10 billion bushels in 2005, down 3% from the August forecast and down 3% from 2004. Grain area harvested is 50.0 million acres, down fractionally from last year. The U.S. yield is 42.0 bushels per acre, down 1.0 bushels from the last forecast and down 1.2 bushels from 2004. The World Agricultural Outlook Board (WAOB) projected 2005/06 ending stocks are down 94 million bushels from last month in part reflecting a 69 million bushel decrease in production. A market year average price between \$3.20 and \$3.60 per bushel is expected, compared with \$3.40 for the 2004 crop.

Corn. The October forecast for 2005 corn production is 10.9 billion bushels, up 2% from the September forecast but down 8% from 2004. Based on October 1 conditions, yields are expected to average 146.1 bushels per acre, up 2.9 bushels from last month but 14.3 bushels below last year. WAOB projected corn feed and residual use is up 50 million bushels from September and food, seed, and industrial use is up 15 million bushels. Projected U.S. ending stocks are up 141 million bushels from last month, to 2.22 billion bushels. A market year average price between \$1.65 and \$2.05 per bushel is expected, compared with \$2.06 for the 2004 crop.

Soybeans. The 2005 soybean crop is forecast at 2.97 billion bushels, up 4% from the last forecast but 5% below 2004. The yield forecast, at 41.6 bushels per acre, is up 2.0 bushels from September but down 0.6 bushel from 2004. Higher yield more than offset this month's acreage reductions, with both planted and harvested area lowered 1% based on administrative data. Ending stocks are projected by the WAOB at 260 million bushels, up 55 million bushels from last month. Soybean crush is raised by 10 million bushels from September due to increased supplies and lower soybean prices. A market year average price is projected between \$5.00 and \$5.80 per bushel, compared with \$5.74 for the 2004 crop.

Cotton. All cotton production is forecast at 22.7 million 480-pound bales, up 2% from last month but 2 percent below last year's record high production. Yield is expected to average 797 pounds per acre, up 15 pounds from last month. According to WAOB, exports are raised 700,000 bales to 16.0 million bales, supported by larger supplies and higher projected import demand by China. Ending stocks are lowered nearly 9% from last month to 6.4 million bales.

Rice. U.S. rice production is forecast at 223 million cwt, down 2% from September and down 3% from last year. Yields are expected to average 6,678 pounds per acre, down 152 pounds from last month and down 264 pounds from 2004. The market year average price is projected between \$7.45 and \$7.75 per cwt, compared with \$7.33 per cwt for the 2004 crop.

Other Crops. **Durum Wheat** production, at 100 million bushels, is up 8% from August 1 and 11% above last year. **Other Spring Wheat** production is estimated at 504 million bushels, down 9% from the last forecast and down 11% from last year. **Barley** production is estimated at 212 million bushels, down 10% from the last forecast and down 24% from last year's estimate. **Grain Sorghum** production is forecast at 375 million bushels, down 6% from the September forecast and down 18% from 2004. The **peanut crop** is forecast at 4.92 billion pounds, up 15% from last year but down 2% from last month.

Cattle. Mid-October **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$88 per cwt, up \$1 from mid-September. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$116 per cwt, up \$4 from a month ago.

Hogs. For the first two weeks of September, hog **slaughter** was running 1.0% above a year ago. Cash **prices** at mid-September (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged \$48 per cwt, down \$1 from the mid-September price. Fourth quarter prices are expected to average \$43 per cwt.

Other. September **milk production** was up 4.9% from the previous year. Production per cow increased 4.2%, while the number of cows increased 0.7% 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 2005 was 4.0% above the previous year. **Butter** production during this same time period was 1.2% above last year. Production of **nonfat dry milk for human food** was down 23% from August 2004. US table **egg production** during September 2005 totaled 6.31 billion, up slightly from September 2004. Wholesale market **egg prices** for the fourth quarter of 2005 (Grade A large, New York) are expected to average 67-69 cents per dozen, compared with 68.0 cents a year ago. First quarter 2006 egg prices are expected to average 63-67 cents per dozen, compared to 64.5 cents a year earlier. **Broiler**-Type chicks hatched during September 2005 totaled 770 million, down slightly from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending October 15, 2005, were 169 million, up 3 percent from a year ago. Cumulative placements for the 19 selected states for the period January 2, 2005 - October 15, 2005 totaled 7.17 billion, up 1 percent from the 7.07 million chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2005 is expected to be 70-72 cents, compared with 68.3 cents from a year earlier. First quarter 2006 broiler prices are expected to average 69-75 cents per pound, compared with the 71.9 cents for a year earlier. **Turkey** Poultry Placements in September 2005, at 22.7 million, were up 7 percent from September 2004. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2005 are expected to be 77-81 cents compared with 77.1 cents for the same period last year. Turkey prices for the first quarter of 2006 are expected to average 63-67 cents per pound, compared with the 65.9 cents average for the first quarter of 2005. **Supplies in refrigerated warehouses** at the end of September 2005 compared with a year earlier were: total chicken, down 5 percent; turkey, down 6 percent; pork, up 3 percent; bellies, up 23 percent; beef, down 3 percent; frozen orange juice, down 24 percent; butter, down 8 percent and American cheese, down 2 percent.

Trade. October U.S. **trade projections** for wheat, cotton, and pork improved compared with last month. Corn, soybeans, beef, broilers, and turkeys were unchanged from September. October projections for the volume of exports for the 2005/2006 marketing year compared to 2004/2005 are: **wheat** down 6%; **corn** up 10%; **rice** up 7%; **soybeans** up 2%; **soybean meal** down 10%; **soybean oil** down 3%; and **cotton** up 11%. October projections for the volume of meat exports in calendar 2006 compared to 2005 are: **beef** up slightly; **pork** up 1%; **broilers** up 2%; and **turkeys** up 1%. The **U.S. trade** deficit for goods and services increased to \$59.0 billion in August, from a revised \$58.0 billion in July. The **U.S. agricultural trade** surplus was \$97 million in August, compared with \$342 million in July.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 1.2% in September and has increased 4.7% over the last 12 months. The **PPI** increased 1.9% in September and 6.9% over the last 12 months. The September **prime rate**, averaging 6.59%, was up from 6.44% in August. Compared to a year earlier, **feed** prices in September were up 9%; **feeder livestock and poultry** was unchanged; **fertilizer** up 11%; **ag chemicals** up 2%; **farm machinery** up 5%, **seeds** up 8%, and **fuels** up 57%.

World Weather and Crop Developments (October 9-16). In the **United States**, warm, dry weather in the Corn Belt, northern Great Plains, Mississippi Delta, and Southeast were favorable for maturation and harvest of summer crops. In the central and southern Great Plains, light to moderate rainfall limited fieldwork but promoted emergence of winter wheat. Precipitation in the central and southern Rocky Mountains improved pasture conditions. West of the Rockies, mostly dry conditions prevailed, limiting emergence of winter wheat in the Pacific Northwest. Heavy rainfall in the Northeast caused some flooding but was generally favorable for pastures in the region. Light showers eased prolonged dryness in winter wheat areas of **Ukraine** and southern **Russia**, improving topsoil moisture for crop emergence. Beneficially dry weather aided summer crop harvesting and winter crop planting throughout **China**. Dry weather in northern **Thailand** and the **Philippines** aided rice harvesting, while flooding continued in coffee areas of central **Vietnam**. In western and southeastern **Australia**, relatively cool, dry weather favored immature winter grains, while showers elsewhere in eastern Australia boosted moisture supplies for immature winter crops. Spring grain and oilseed harvesting was nearing completion in **Canada**. Warmth and dryness benefited vegetative crops in the southern winter wheat belt, but rain was needed for normal crop development elsewhere in **Argentina**. In **Brazil**, rain caused additional delays in winter wheat harvesting but increased moisture for soybean germination.

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 November 23, 2005.