NASS Monthly Ag. Newsletter

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Announcement

This will be the last issue of the "NASS Monthly Ag. Newsletter". Data contained in this report can be obtained from the following:

Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA), U.S. Census Bureau, Economic Research Service (ERS), Agricultural Marketing Service (AMS), Federal Reserve Bank of St. Louis, National Oceanic and Atmospheric Administration (NOAA), and the National Agricultural Statistics Service (NASS).

Corn. U.S. corn ending stocks are forecast by the World Agricultural Outlook Board (WAOB) at 2.35 billion bushels for the 2005/06 marketing year compared with 2.11 billion bushels for the 2004/05 season. Projected U.S. corn exports are up 50 million bushels from last month due to larger-than-expected sales to Asian markets. Domestic use for 2005/06 is unchanged from last month. The market year average price for the 2005 crop is expected to be between $1.85 and $2.05 per bushel.

Soybeans. U.S. soybean ending stocks for the 2005/06 marketing year are forecast at 565 million bushels by the WAOB, up 10 million bushels from the previous forecast. U.S. soybean exports are decreased 10 million bushels from last month reflecting lower imports for China and EU-25, while crush prospects remained unchanged from last month, at 1,720 million bushels. The 2005/06 market year average price is projected between $5.40 and $5.80 per bushel.

Cattle. Mid-March **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $86 per cwt, down $3 from mid-February. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly $102 per cwt, down $5 from a month ago.

Hogs. For the first two weeks of March, hog **slaughter** was running 2.5% above a year ago. Cash **prices** at mid-March (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged $42 per cwt, down $2 from the mid-February price. First quarter prices are expected to average $43 per cwt.

Other. February **milk production** was up 5.9% from the previous year. Production per cow increased 4.3%, while the number of cows increased 1.5% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of March. Total **cheese** production reported for the month of January 2006 was 1.3% above the previous year. **Butter** production during this same time period was 13.1% above last year. Production of **nonfat dry milk for human food** was up 9.2% from January 2005. US table **egg production** during January 2006 totaled 6.62 billion, up 2% from January 2005. Wholesale market **egg prices** for the first quarter of 2006 (Grade A large, New York) are expected to average 70-71 cents per dozen, compared with 64.5 cents a year ago. **Broiler**-Type chicks hatched during January 2006 totaled 804 million, up 1% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending March 18, 2006, were 177 million, up slightly from a year ago. Cumulative placements for the 19 selected states for the period January 1, 2006 - March 18, 2006 totaled 1.92 billion, down slightly from chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter 2006 is expected to average 63-64 cents per pound, compared with the 71.9 cents a year earlier. **Turkey** poult placements in February 2006, at 23.3 million, were up 9% from February 2005. Cumulative placements for the 2006 marketing year are 137.3 million poults, up 6% from a year ago. Turkey prices (8-16 lb. hens, Eastern Region) for the first quarter of 2006 are expected to average 67-68 cents per pound, compared with the 65.9 cents average for the first quarter of 2005. **Supplies in refrigerated warehouses** at the end of February 2006 compared with a year earlier were: total chicken, up 45%; turkey, down 17%; pork, down 4%; bellies, down 14%; beef, up 7%; frozen orange juice, down 32%; butter, up 37% and American cheese, up 9%.

Trade. March U.S. **trade projections** for corn and cotton improved while 2005/2006 export prospects for rice, soybeans, and broilers declined, compared with last month. Wheat, beef, pork, and turkeys were unchanged from February. March projections for the volume of exports for the 2005/2006 marketing year compared to 2004/2005 are: **wheat** down 6%; **corn** up 5%; **rice** up 6%; **soybeans** down 18%; **soybean meal** down 7%; **soybean oil** up 19%; and **cotton** up 17%. March projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 31%; pork up 4%; **broilers** up 3%; and **turkeys** up 5%. The **U.S. trade** deficit for goods and services increased to $68.5 billion in January, from a revised $65.1 billion in December. The **U.S. agricultural trade** surplus was $79 million in January, compared with $205 million in December.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.2% in February and has increased 3.6% over the last 12 months. The **PPI** decreased 1.4% in February but increased 3.7% over the last 12 months. The February **prime rate**, averaging 7.50%, was up from 7.26% in January. Compared to a year earlier, **feed** prices in February were up 13%; **feeder livestock and poultry** up 5%; **fertilizer** up 16%; **ag chemicals** up 1%; **farm machinery** up 2%, **seeds** up 8%, and **fuels** up 30%.

World Weather and Crop Developments (March 12-19). In the **United States**, moderate rainfall in the southern Great Plains improved soil moisture in most of the region but missed the Panhandle area of Texas and Oklahoma. Light precipitation overspread most of the remainder of the Great Plains, including some snow in South Dakota and Nebraska. Meanwhile, across the much of the Corn Belt, light to moderate precipitation continued to boost soil moisture levels. Mostly dry conditions across the Mississippi Delta and Southeast were favorable for planting, but soil moisture shortages were a problem along the southern Atlantic Coast. Snowfall in the Rocky Mountains increased snowpack, boding well for springtime moisture reserves. Precipitation was moderate in coastal areas of the Pacific Northwest but light in the crop-producing areas further inland. Mostly dry conditions returned to the Southwest following the rainfall of the previous week. Temperatures were above normal across the southern Great Plains, Delta, Southeast, Atlantic Coast, and most of the Corn Belt, while below-normal temperatures prevailed in the northwestern Corn Belt, northern Great Plains, Rocky Mountains, and Pacific Coast States. Mild weather continued on the North **China** Plain favoring winter wheat development. Heavy rainfall resumed flooding in **Indonesia**, especially in oil palm areas of Sumatra. In South **Africa** mild, showery weather kept immature corn and other summer crops well watered. For the second consecutive week, mostly dry, warm weather favored summer crop maturation and harvesting in **Australia**. Above-normal temperatures promoted winter grain development, while persistent wetness in western **Turkey** slowed fieldwork. In **Brazil** warmth and dryness hastened maturation of soybeans and corn in the south. Soaking rain covered most major agricultural areas, boosting moisture for immature summer crops but hindering fieldwork in **Argentina**.

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