

# 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.

**Wheat.** All wheat production is forecast at 1.99 billion bushels, up slightly from the August forecast but 10% below 2000. The World Agricultural Outlook Board (WAOB) projected 2001/02 ending stocks up 16 million bushels from last month due to higher production and reduced food use. The projected price range for 2001/02 is \$2.70 to \$3.10 per bushel compared to \$2.62 for the 2000 crop. Projected U.S. exports are unchanged from last month but 1% below the previous year.

**Corn.** The September forecast for 2001 corn production is 9.24 billion bushels, down less than 1% from the last forecast and 7% below last year. WAOB projected U.S. 2001/02 ending stocks are expected to be down 98 million bushels from last month because of smaller supplies and stable use. The projected 2001/02 price range for corn is \$1.95 and \$2.35 a bushel compared to \$1.85 for the 2000 crop. Projected total use of corn is unchanged from last month as an increase in projected domestic use offsets slightly lower exports.

**Soybeans.** The 2001 soybean crop is forecasted at a record high 2.83 billion bushels, down 1% from August but 2% above last year. Projected U.S. export prospects are reduced 5 million bushels this month due to reduced supply availabilities. The market year average price for 2001/02 is projected between \$4.40 and \$5.40 per bushel, compared to \$4.55 for the 2000 crop year. Prices are similar to 1985/86 when ending stocks in the three principal exporting countries were near the 21 million metric tons indicated for 2000/01, although current U.S. stocks are less than half of the record U.S. carryover at the end of 1985/86.

**Cotton.** The September 1 U.S. cotton production is forecast at 20.0 million 480-pound bales, down slightly from last month but up 16% from 2000. This month's WAOB 2001/02 projections indicate slightly higher world production and ending stocks up 3% from last month. Domestic mill use for 2001/02 is reduced 200,000 bales, based on diminished expectations of recovery in retail demand. With projected exports unchanged at 9.0 million bales, ending stocks are up 7% from August to 8.7 million bales.

**Rice.** U.S. rice production is forecasted at 206 million cwt, up 4% from August and 8% above 2000. Harvest was ahead of schedule in Arkansas and Texas, and all States had begun harvest by September 2. Ending stocks are projected by the WAOB at 38.5 million cwt, up 58% from last month and 38% above last year. The market year average price is expected to average between \$3.75 and \$4.25 per cwt compared to \$5.55 per cwt for the 2000 crop.

**Other Crops.** The September **Durum Wheat** forecast, at 86.5 million bushels, is down 6% from last month and 21% less than 2000. The September **Other Spring Wheat** production is forecast at 520 million bushels, up 2% from a month ago but down 6% from a year ago. **Grain Sorghum** is forecast at 537 million bushels, down 1% from last month but up 14% from 2000. **Barley** production is forecast at 262 million bushels, 2% lower than August and 18% below 2000. The **peanut crop** is expected to be up 14% from last year, and **all tobacco** production is down 3% from last year.

**Cattle.** At mid-September, prices for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$70 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$91 per cwt in mid-September, up \$1 from mid-August. September 1 cattle on feed for feedlots with capacity of 1000 head or more were up 5%, but placements during August were down 10%.

**Hogs.** During the first three weeks of September slaughter has been running about 1-2% below a year ago. Prices at mid-September (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$45 per cwt, down \$7 from mid-August. Fourth quarter prices are expected to average around \$43 per cwt.

**Other Livestock.** August **milk production** was down 0.8% from the previous year. Production per cow increased 0.3%, however, the number of cows decreased 1.0%. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of September. During July, total **cheese** production was 1.3% below the previous year, **butter** production was down 7.1% and **nonfat dry milk** production

was down 2.9%. US table **egg production** during August 2001 totaled 6.12 billion, up 2% from August 2000. Wholesale market **egg prices** for the third quarter of 2001 (Grade A large, New York) are expected to average 62-63 cents per dozen, compared with 67.1 cents a year ago. Fourth quarter 2001 egg prices are expected to average 73-77 cents per dozen, compared with 83.1 cents a year earlier. **Broiler-** Type chicks hatched during August 2001 totaled 761 million, up 3% from last year. Cumulative Broiler-Type Placements in 15 selected states thru September 15, 2001, were 5.45 billion, 1% above a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2001 is expected to be 60-61 cents, compared with 56.8 cents from the third quarter of last year. Fourth quarter 2001 broiler prices are expected to average 58-60 cents per pound, compared with the 56.2 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through August 2001 were 300 million, 1% above the same period a year ago. Placements in August 2001, at 25.5 million, were up 3% from last August. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2001 are expected to be 66-67 cents compared with 73.9 cents for the second quarter last year. Turkey prices for the fourth quarter of 2001 are expected to average 71-75 cents per pound, compared with the 76.2 cents average for the fourth quarter of 2001. **Supplies in refrigerated warehouses** at the end of August 2001 compared with a year earlier were: total chicken, down 23%; turkey, up 3%; pork, down 27%; bellies, down 63%; beef, down 8%; frozen orange juice, up 16%, butter, up 11%; and American cheese, down 17%.

**Trade.** August U.S. **trade projections** for corn, rice, and pork improved while 2001/2002 export prospects for soybeans declined, compared with last month. Wheat, cotton, beef, broilers, and turkeys were unchanged from July. August projections for the volume of exports for the 2001/2002 marketing year compared to 2000/2001 are: **wheat** down 1%; **corn** up 7%; **rice** up slightly; **soybeans** unchanged; **soybean meal** down 2%; **soybean oil** up 66%; and **cotton** up 34%. August projections for the volume of meat exports in calendar 2002 compared to 2001 are: **beef** up 6%; **pork** down 8%; **broilers** up 2%; and **turkeys** up 1%. The U.S. **trade** deficit for goods and services decreased to \$28.8 billion in July, from a revised \$29.1 billion in June. The U.S. **agricultural trade** surplus was \$715.4 million in July, compared with \$847.1 million in June.

**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, was unchanged in August but has increased 2.7% over the last 12 months. The **PPI** increased 0.4% in August, and has increased 2.1% for the 12-month period ending in August. The August **prime rate**, averaging 6.67%, was down from 6.75% in July. Compared to a year earlier, **feed** prices in August were up 15%; **feeder livestock and poultry** prices were up 6%; **fertilizer** up 4%; **ag chemicals** down 3%; **farm machinery** up 2%; **seeds** up 7% and **fuels** down 14%.

**World Weather and Crop Developments** (September 9-16). In the **United States** crops quickly approached maturity across most of the Corn Belt and Great Plains, despite cooler-than-normal weather. However, crop development was hindered by below-normal temperatures in parts of the Southeast and southern Great Plains. Mostly dry conditions aided field preparations and winter grain seeding in the Great Plains and Pacific Northwest. Dry weather also favored harvest of early-maturing row crops in the Corn Belt, Southeast, lower Mississippi Valley, and southern Great Plains. Above-normal temperatures promoted crop development in interior areas of the Southwest, while seasonably cool weather prevailed along coastal areas of California. Mostly dry weather favored fieldwork for summer crop harvesting and winter wheat planting in southern **Ukraine**. Drier weather helped spring grain harvesting in **Kazakhstan** and Western **Siberia, Russia**. Mostly dry weather in southwestern **Europe** favored summer crop maturation and early harvesting, while showers in north-central and northeastern **Europe** slowed small grain harvesting which is nearing completion. Light showers kept topsoils moist in winter crop areas of Western **Australia** and the southeast, but dry weather continued to limit fieldwork in primary summer crop areas of the east. In **Canada** spring crop harvesting continued to rapidly progress across the Prairies. In South **Asia** monsoon showers sustained irrigation levels in eastern rice areas, while untimely showers lingered across northwestern cotton and rice areas. Showers continued to benefit main-season rice in **Thailand**, while causing delays to early rice harvesting in northern **Vietnam**. Dry, warm weather gripped most of **China**, favoring summer crop maturation and early harvesting, but limiting topsoil moisture for winter wheat planting. A weak typhoon grazed eastern **Japan**, causing heavy rain and rice harvesting delays. In southern **Brazil**, widespread showers boosted topsoil moisture for upcoming summer crop planting, but slowed wheat harvesting in the south.

**Other News.** **Global economic growth** this year will be the slowest since 1993, and any rebound during 2002 is expected to be modest. The U.S. economy, the locomotive that pulled the world economy out of the 1997-98 financial crisis, is now stalled. **Consumers demand** for beef, dairy products, and fresh fruits and vegetables coupled with reduced production of these food items have generated a larger increase in 2001 food prices than forecast earlier this year. **U.S. agricultural exports** are projected to increase in value for the third consecutive year in fiscal 2002. Much of the gain is expected to be from sales of the major bulk commodities corn, wheat, soybeans, and cotton. Record exports of horticultural products, such as fruits and vegetables, also are projected. **For the national corn market**, prices are expected to strengthen in 2001/02 as ending stocks decline to the lowest level since 1997/98. U.S. corn production in 2001 is expected to drop 7%, pulled down by lower acreage and yields. Meanwhile, domestic use is forecast to reach a record high, and exports are expected to rise 2% as global use expands. **Turkey joins Brazil and Argentina** in a state of economic crisis at a time of global uncertainty. Because Turkey is a sizable market for certain U.S. agricultural goods, the ongoing financial crisis may affect U.S. exports. In the short run, U.S. exports to Turkey should decline as the crisis shrinks demand.