

# 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 1.69 billion bushels, down 4% from the July forecast and down 14% from last year. Based on conditions as of August 1, the U.S. yield is forecast at 35.4 bushels per acre, down 1.3 bushels from July. The World Agricultural Outlook Board (WAOB) projected 2001/02 U.S. ending stocks are down 53 million bushels from July as lower production more than offsets reduced use. The projected price range for 2002/03 is \$3.20 to \$3.80 per bushel compared to \$2.78 for the 2001/02 crop.

**Corn.** The August forecast for 2002 corn production is 8.89 billion bushels, down 7% from last year. U.S. yields are expected to average 125.2 bushels per acre, down 13.0 bushels from last year. A market year average price between \$2.30 and \$2.70 per bushel is expected compared to \$1.93 for the 2001/02 crop. WAOB projected global production and ending stocks for the 2002/03 crop year are expected to be down 1% and 27% from the 2001/02 crop year, respectively. The U.S. corn crop was rated 40% good to excellent as of August 18th compared to 54% a year earlier.

**Soybeans.** The 2002 soybean crop is forecast at 2.63 billion bushels, down 9% from last year. Based on August 1 conditions, yields are expected to average 36.5 bushels per acre, down 3.1 bushels from 2001. A market year average price is projected between \$5.15 and \$6.05 per bushel compared to \$4.35 for the 2001/02 crop year. Global production for the 2002/03 crop year is projected by WAOB to be down slightly from last year, and global ending stocks are expected to be down 24%. The U.S. soybean crop was rated 44% good to excellent for the week ending August 18th compared to 52% a year ago.

**Cotton.** The U.S. cotton production is forecast at 18.4 million 480-pound bales, down 9% from last year's record high production. The yield is expected to average 675 pounds per acre, up 30 pounds from the previous year. Compared to last month, the 2002/03 world cotton situation reflects lower production and higher consumption and trade.

**Rice.** U.S. rice production is forecast at 206 million cwt, down 3% from 2001. Based on August 1 conditions, yields are forecast at 6,393 pounds per acre, down 36 pounds from 2001. Harvest is underway in Louisiana and Texas. The market year average price is expected to average between \$4.25 and \$4.75 per cwt compared to \$4.16 for the 2001/02 crop.

**Other Crops.** The U.S. August **Durum wheat** forecast, at 79.5 million bushels, is down 5% from last month, and 5% below last year. The August **Other Spring wheat** production is forecast at 448 million bushels, down 8% from a month ago and 13% below a year ago. **Grain Sorghum** is forecast at 380 million bushels, down 26% from 2001. **Barley** production is forecast at 252 million bushels, down 5% from July but up 1% from 2001. **Oat** production is forecast at 143 million bushels, down 3% from July but up 22% from 2001. The **peanut crop** is expected to be down 4% from last year; **dry edible bean** production up 39%; **tobacco** production down 7%; **alfalfa hay** production down 7% from 2001; and **other hay** production up 2%.

**Cattle.** Mid-August **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$64 per cwt, up \$2 from mid-July. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were slightly over \$78 per cwt, relatively unchanged from a month ago.

**Hogs.** During the first two full weeks of August, hog **slaughter** has been running roughly 104% of a year ago. Cash **prices** at mid-August (Iowa-Southern Minnesota direct, 51-52 percent lean) were nearly \$32 per cwt, down \$7 from mid-July. Third quarter prices are expected to average \$36 per cwt.

**Other Livestock.** July **milk production** was up 2.3% from the previous year. Production per cow increased 1.8%, while the number of cows increased 0.5% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of August. Total **cheese** production reported for the month of June, 2002 was 1.0% above the previous year. **Butter** production during this same time period was 12.8% above last year. Production of **nonfat dry milk for human food** was up

12.9% from the previous year. US table **egg production** during July 2002 totaled 6.24 billion, up 2% from July 2001. Wholesale market **egg prices** for the third quarter of 2002 (Grade A large, New York) are expected to average 64-66 cents per dozen, compared with 61.4 cents a year ago. Fourth quarter 2002 egg prices are expected to average 71-75 cents per dozen, compared with 68.2 cents a year earlier. **Broiler**-Type chicks hatched during July 2002 totaled 781 million, up 2% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending August 17, 2002, were 167 million, 1% above a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2002 is expected to be 56-58 cents, compared with 61.1 cents from the third quarter of last year. Fourth quarter 2002 broiler prices are expected to average 54-58 cents per pound, compared with the 58.5 cents for a year earlier. Cumulative **turkey poult placements** for the 2002 marketing year through July 2002 were 273 million, down 1% from the same period a year ago. Placements in July 2002, at 25.7 million, were down 5% from last July. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2002 are expected to be 66-68 cents compared with 67.1 cents for the third quarter last year. Turkey prices for the fourth quarter of 2002 are expected to average 72-76 cents per pound, compared with the 71.4 cents average for the fourth quarter of 2001. **Supplies in refrigerated warehouses** at the end of July 2002 compared with a year earlier were: total chicken, up 35%; turkey, up 32%; pork, up 40%; bellies, up 22%; beef, up 20%; frozen orange juice, down 1%, butter, up 58%; and American cheese, up 8%.

**Trade.** August U.S. **trade projections** for cotton and beef improved while 2002/2003 export prospects for corn and soybeans declined, compared with last month. Wheat, rice, pork, broilers, and turkeys were unchanged from July. August projections for the volume of exports for the 2002/2003 marketing year compared to 2001/2002 are: **wheat** down 6%; **corn** up 5%; **rice** down 5%; **soybeans** down 23%; **soybean meal** down 12%; **soybean oil** up 4%; and **cotton** up 2%. August projections for the volume of meat exports in calendar 2003 compared to 2002 are: **beef** up 3%; **pork** up 5%; **broilers** up 16%; and **turkeys** down 3%. The U.S. **trade deficit** for goods and services decreased to \$37.2 billion in June, from a revised \$37.8 billion in May. The U.S. **agricultural trade surplus** was \$719 million in June, compared with \$483 million in May.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.1% in July and has increased 1.5% over the last 12 months. The **PPI** decreased 0.2% in July and has decreased 1.1% over the last 12 months. The July **prime rate**, averaging 4.75%, has been unchanged since January. Compared to a year earlier, **feed prices** in July were up 3%; **feeder livestock and poultry** down 16%; **fertilizer** down 7%; **ag chemicals** down 2%, **farm machinery prices** increased 2%, **seeds** up 7% and **fuels** down 8%.

**World Weather and Crop Developments** (August 11-18). In the **United States**, widespread rainfall and cool weather reduced drought stress in many areas of the western Corn Belt and adjacent parts of the central and northern Great Plains. However, the cool weather delayed ripening and harvest of small grains on the northern Great Plains, especially on the High Plains. Rain also interfered with the harvest of small grain crops, mainly in the upper Mississippi Valley and adjacent areas of the northern Great Plains. In the lower Mississippi Valley and scattered parts of the Southeast and southern Great Plains, heavy rain boosted soil moisture reserves and aided development of rapidly maturing crops. However, hot, dry weather stressed most crops on the Atlantic Coastal Plain. Along the Gulf Coast, rain temporarily halted harvest of mature crops. Showers and thunderstorms benefitted filling summer crops in **Ukraine** and southern **Russia**, while seasonable temperatures and mostly dry weather helped fieldwork for winter and spring grain harvesting in northern Russia. Showers favored filling spring grains in Urals, Russia, and north-central **Kazakstan**, although unseasonably cool weather slowed crop development. In central **Europe**, torrential rain caused flooding and local damage to mature winter grains, beneficially dry weather allowed harvesting to resume in northwestern Europe, and showers continued to benefit filling summer crops in southeastern Europe. In **Canada**, cool, wet weather continued across the Prairies, benefitting pastures but slowing spring crop development. In **South America**, mostly dry, warmer-than-normal weather dominated the region, favoring fieldwork but limiting moisture for winter wheat development. Showers favored reproductive to filling corn across the Southern Plateau corn belt in **Mexico**, but warm, dry weather stressed pastures and summer crops in the lower Rio Grande watershed.

**Other News.** U.S. **hog producers** are expected to respond to higher feed costs by reducing the number of sows farrowing in 2003. The **2002 Farm Act** reauthorized the sugar price support loan program, and introduced measures to make the program work more effectively for producers. A key change in the 2002 Act requires that USDA operate the sugar loan program at no cost to the Federal government. The U.S. **soybean crop forecast** for 2002 reflects both a decline in plantings and a slip in expected yield. Crop rotations, improved net returns for corn, and economic and weather conditions in western states encouraged greater planting of corn and the lowest U.S. soybean area since 1998. **Cabbage** has recently become a little more endearing to Americans, a turnaround from a steady decline in use between the 1920s and the 1990s as Americans looked elsewhere for variety and convenience in their food. In the past decade, fresh-cut products, new recipes, and a growing body of nutritional research have lent new support to cabbage demand.

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