NASS Monthly Ag. Newsletter

NASS-NF70 *"The Fact Finders for U.S. Agriculture"* **May 2003**

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.

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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. Winter wheat production is forecast at 1.56 billion bushels, up 37% from last year. Based on May 1 conditions, the U.S. winter wheat yield is forecast at 42.9 bushels per acre, 4.4 bushels more than last year's yield. Total U.S. wheat production is projected by the USDA's World Agricultural Outlook Board (WAOB) at 2.11 billion bushels, up 31% from last year. The projected price range for 2003/04 is $3.05 to $3.65 per bushel, compared with an estimated $3.56 for 2002/03.

Corn. The U.S. 2003 corn crop is projected at 10.1 billion bushels by the WAOB, up 12% from last year. The March Prospective Plantings area, historic harvested-to-planted relationships, and a trend yield of 139.7 bushels per acre are assumed. The trend yield is adjusted for planting progress and assumes normal weather. While the larger corn crop is partially offset by smaller forecast carryin stocks, total U.S. corn supplies for 2003/04 are up 5%. The projected price range for the 2003 corn crop is $1.90 to $2.30 per bushel, compared with $2.25 to $2.35 for 2002/03.

Soybeans. The U.S. 2003 soybean production is projected at 2.86 billion bushels by the WAOB, 5% higher than the 2002/03 crop. U.S. soybean production is based on intended soybean plantings of 73.2 million acres and a trend yield of 39.7 bushels per acre. Season average soybean prices for 2003/04 are projected at $4.45 to $5.45 per bushel, compared with a forecast of $5.50 for the 2002/03 crop. Soybean meal prices are forecast at $150 to $180 per short ton, compared with $175 per ton for 2002/03.

Cotton. The first U.S. cotton projections by the WAOB for 2003/04 include stable production, declining domestic mill use, and record exports, resulting in sharply lower ending stocks. Production is projected at 17.2 million bales, based on a planted area of 14.3 million acres and average abandonment and yield. U.S. cotton exports are projected at a record 11.5 million bales, due mainly to tight supplies and rising demand in foreign markets. Projected ending stocks declined 24% to 4.7 million bales, their lowest level in 4 years.

Rice. The U.S. rice production in 2003/04 is projected at 199 million cwt by the WAOB, 6% lower than the 2002/03 crop. Domestic and residual use is projected at a record 126 million cwt, up 2% from the previous year. Projected exports, at 86 million cwt, are 26% below last year. The 2003/04 market year average price is expected to average between $5.00 and $5.50 per cwt. Global rice production is projected at 394 million tons, 3% above the previous year with world consumption projected at a near record level.

Cattle. Mid-May **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $79 per cwt, down $2 from mid-April. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were nearly $83 per cwt, up $3 from a month ago.

Hogs. During the first two weeks of May, hog **slaughter** has been running roughly 98% of a year ago. Cash **prices** at mid-May (Iowa-Southern Minnesota direct, 51-52% lean) were above $44 per cwt, up $10 from mid-April. Second quarter prices are expected to average $40 per cwt.

Other Livestock. April **milk production** was up 0.8% from the previous year. Production per cow increased 0.2%, and the number of cows increased 0.5% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of May. Total **cheese** production reported for the month of March, 2003 was 1.3% below the previous year. **Butter** production during this same time period was 1% below the previous March. **Nonfat** dry milk production was down 4.5% from the previous year. US table **egg production** during April 2003 totaled 6.05 billion, up slightly from April 2002. Wholesale market **egg prices** for the second quarter of 2003 (Grade A large, New York) are expected to average 68-70 cents per dozen, compared with 58.4 cents a year ago. Third quarter 2003 egg prices are expected to average 68-72 cents per dozen, compared with 65.3 cents a year earlier. **Broiler-**Type chicks hatched during April 2003 totaled 761 million, down 1% from last year. Weekly Broiler-

Type Placements in 19 selected states for the week ending May 17, 2003, were 170 million, down 2% from a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2003 is expected to be 59-61 cents, compared with 56.1 cents from the second quarter of last year. Third quarter 2003 broiler prices are expected to average 59-63 cents per pound, compared with the 56.4 cents for a year earlier. **Turkey** Poult Placements in April 2003, at 24.9 million, were down 5% from last April. Cumulative placement for the 2003 marketing year are 193 million poults, down 2% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2003 are expected to be 61-63 cents compared with 62.9 cents for the second quarter last year. Turkey prices for the third quarter of 2003 are expected to average 64-68 cents per pound, compared with the 66.7 cents average for the third quarter of 2002. **Supplies in refrigerated warehouses** at the end of April 2003 compared with a year earlier were: total chicken, down 16%; turkey, up 11%; pork, down 9%; bellies, down 24%; beef, down 4%; frozen orange juice, up 3%; butter, up 35% and American cheese, up 4%.

Trade. May U.S. **trade projections** for wheat, corn, soybeans, and cotton improved while 2003/2004 export prospects for rice declined, compared with last month. May projections for the volume of exports for the 2003/2004 marketing year compared to 2002/2003 are: **wheat** up 9%; **corn** up 14%; **rice** down 25%; **soybeans** down 5%; **soybean meal** down 20%; **soybean oil** down 17%; and **cotton** up 5%. May projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 4%; **pork** up 2%; **broilers** up 4%; and **turkeys** up 3%. The **U.S. trade** deficit for goods and services increased to $43.5 billion in March, from a revised $40.4 billion in February. The **U.S. agricultural trade** surplus was $685 million in March, compared with $1.2 billion in February.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.2% in April but has increased 2.2% over the last 12 months. The **PPI** decreased 1.9% in April but has increased 2.4% over the last 12 months. The April **prime rate**, averaging 4.25%, has been unchanged since December 2002. Compared to a year earlier, **feed** prices in April were up 5%; **feeder livestock and poultry** was unchanged; **fertilizer** up 21%; **ag chemicals** up 2%**, farm machinery** up 1%, **seeds** up 9% and **fuels** up 25%.

World Weather and Crop Developments (May 11-18). In the **United States**, heavy rains fell in a wide swath from eastern Kansas and Oklahoma, through Arkansas, Alabama, Mississippi, northern Georgia, and Tennessee. This precipitation slowed fieldwork and caused flooding in some locations. Warm daytime temperatures and dry weather favored crop development in the Pacific Northwest, despite widespread cloud cover and sporadic showers. Temperatures approached normal levels in California's Central Valley following a prolonged period of cool, damp weather. The warm, dry weather promoted rice and cotton planting and cotton emergence. Hot, dry weather increased irrigation demands in the Southwest as dry conditions dominated in a band from southern California to the Texas and Oklahoma Panhandles. Subsoil moisture conditions remained very dry in the central and northern Rockies, despite some scattered rain and snow showers. Scattered showers slowed planting progress in the central and northern Great Plains and upper Mississippi Valley. Cool weather and scattered frosts in the northern Great Plains slowed winter wheat development and the emergence of small grains. Dry conditions and temperatures over 90 degrees F stressed crops in the southern Great Plains. Scattered showers and cool weather in the Great Lakes slowed fieldwork and crop development. Warm days and mostly dry weather in the Corn Belt favored corn and soybean planting, although wet fields from the previous week's heavy rain hampered fieldwork in some areas, especially Indiana and Ohio. Cool conditions with limited shower activity allowed Pennsylvania, New York, and New England growers to make good progress. In southeastern **Europe** and **Italy**, warm, dry weather stressed vegetative rainfed summer crops, while widespread rain benefited crops across northern Europe. Continued dry weather helped planting activities in the eastern two-thirds of **Ukraine** and most of **Russia**, although rain was needed for spring-sown crop emergence and early plant establishment. Several days of mild, dry weather helped spring grain planting in Siberia, Russia, and north-central **Kazakstan**, while occasional rain slowed fieldwork in the southern **Urals** and adjacent areas in western Kazakstan. Rain favored winter grains in central **Turkey** and northwestern **Iran**, while seasonably warm, dry weather prevailed elsewhere. In northwestern **Africa** warm, dry weather favored winter grain maturation and early harvesting. In the corn belt of South Africa dry weather continued to favor summer crop drydown and collection, but hampered winter wheat planting and stressed tender vegetation. In **Canada**, on the Prairies, spring crop planting was underway, while in Ontario, cool weather slowed winter wheat development. Rain in southeastern **Mexico** boosted soil moisture for summer crop pre-planting activities, while extreme heat in northeastern Mexico increased stress on livestock. Widespread, soaking rain in Western **Australia** benefited vegetative winter grains, while scattered showers in southeastern Australia offered some drought relief. In eastern **Asia**, moisture remained limited for summer crop germination in northern Manchuria. In southeast Asia, showers boosted moisture supplies for rice and corn throughout **Indochina** and the **Philippines**. Showers returned to **Argentina**, but dry weather promoted summer crop harvesting in **Brazil**.

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