

# NASS

## Monthly Ag. Newsletter

NASS-NF76

"The Fact Finders for U.S. Agriculture"

November 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.

**Corn.** The November forecast for 2003 corn production is 10.3 billion bushels, up 1% from the last forecast and 14% above last year. Based on November 1 conditions, yields are expected to average 143.2 bushels per acre, up 1.0 bushel from last month and up 13.2 bushels from a year ago. The World Agricultural Outlook Board (WAOB) projected 2003/04 U.S. ending stocks of corn are down 4 million bushels from last month as the higher forecast production was more than offset by increased exports. Corn exports are forecast at 1.88 billion bushels, up 75 million bushels from last month due to decreased competition from Argentina. A market year average price between \$1.90 and \$2.30 per bushel is expected, compared to \$2.32 for the 2002 crop.

**Soybeans.** The 2003 soybean crop is forecast at 2.45 billion bushels, down 1% from October and down 11% from last year. The yield forecast, at 33.8 bushels per acre, decreased 0.2 bushel from last month and is 4.2 bushels below 2002. WAOB projected U.S. ending stocks are down 5 million bushels from last month. Soybean exports are forecast at 890 million bushels, up 20 million bushels from last month due to stronger early-season shipments, especially to China. Soybean crush is reduced 25 million bushels from last month. A market year average price is projected between \$6.65 and \$7.55 per bushel, compared with \$5.53 for the 2002 crop year.

**Cotton.** All U.S. cotton production is forecast at 18.2 million 480-pound bales, up 4% from last month and up 6% from last year's production. Yield is expected to average a record high 722 pounds per harvested acre, up 26 pounds from last month and 57 pounds above the previous year. Domestic mill use is decreased 200,000 bales to 6.2 million. Exports are raised 10% to 13.2 million bales, exceeding last season's record. World projections of production are down 2.5%. Global consumption is reduced nearly 1%, reflecting effects of increasingly tight supplies. World stocks are reduced to 31.7 million bales, the lowest since 1994/95.

**Rice.** U.S. rice production is forecast at 198 million cwt, up fractionally from October but down 6% from 2002. The average yield is forecast at a record high 6,656 pounds per acre, up 32 pounds from last month and 78 pounds above last year. U.S. ending stocks for 2003/04 are projected by the WAOB at 21.9 million cwt, down 3 million cwt from last month. Exports are projected at 95 million cwt, 4 million cwt above last month, but nearly 30 million cwt below the 2002/03 record. A market year average price is expected between \$7.00 and \$7.50 per cwt compared to \$4.22 per cwt for the 2002 crop.

**Other Crops. Grain Sorghum** production is forecast at 400 million bushels, virtually unchanged from October but up 8% from 2002. The sorghum yield forecast is 51.0 bushels per acre, unchanged from last month but up 0.3 bushel from last year. The **peanut crop** is forecast at 4.09 billion pounds, up 4% from last month and 23% above last year's crop. Yields are expected to average a record high 3,205 pounds, 110 pounds above the October forecast and up 644 pounds from 2002.

**Cattle.** Mid-November **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$100 per cwt, down \$10 from mid-October. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$103 per cwt, down \$5 from a month earlier.

**Hogs.** Through the first two weeks of November, hog **slaughter** was running roughly 3.5% above a year ago. Cash **prices** at mid-November (Iowa-Southern Minnesota direct, 51-52% lean) averaged \$35 per cwt, down \$3 from the mid-October price. Fourth quarter prices are expected to average \$35 per cwt.

**Other Livestock.** October **milk production** was down 0.2% from the previous year. Production per cow increased 0.7%, while the number of cows decreased 0.9% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of November. Total **cheese** production reported for the month of September, 2003 was 3.3% above the previous year. **Butter**

production during this same time period was 21.6% below last year. Production of **nonfat dry milk for human food** was down 8.9% from September, 2002. Wholesale market **egg prices** for the fourth quarter of 2003 (Grade A large, New York) are expected to average 99-101 cents per dozen, compared with 75.5 cents a year ago. First quarter 2004 egg prices are expected to average 87-93 cents per dozen, compared with 77.2 cents a year earlier. **Broiler**-Type chicks hatched during October 2003 totaled 735 million, up 2% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending Nov. 15, 2003, were 156 million, up 6% from a year ago. Cumulative placements for the 19 selected states for the period December 29, 2002 - November 15, 2003 totaled 7.66 billion, down slightly from the 7.69 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2003 is expected to be 61-63 cents, compared with 53.7 cents from the fourth quarter of last year. First quarter 2004 broiler prices are expected to average 58-62 cents per pound, compared with the 60.3 cents for a year earlier. Turkey Poults Placements in October 2003, at 22.9 million, were down 4% from last October. Cumulative placement for the 2004 marketing year are 45.1 million poults, down 3% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2003 are expected to be 65-67 cents compared with 68.2 cents for the fourth quarter last year. Turkey prices for the first quarter of 2004 are expected to average 59-63 cents per pound, compared with the 61.1 cents average for the first quarter of 2003. **Supplies in refrigerated warehouses** at the end of October 2003 compared with a year earlier were: total chicken, down 30%; turkey, down 8%; pork, down 17%; bellies, up 103%; beef, down 28%; frozen orange juice, down 4%; butter, down 2% and American cheese, down 3%.

**Trade.** November U.S. **trade projections** for wheat, corn, rice, soybeans, and cotton improved compared with last month. Beef, pork, broilers, and turkeys were unchanged from October. November projections for the volume of exports for the 2003/2004 marketing year compared to 2002/2003 are: **wheat** up 26%; **corn** up 18%; **rice** down 23%; **soybeans** down 15%; **soybean meal** down 26%; **soybean oil** down 63%; and **cotton** up 11%. November projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 1%; **pork** up 1%; **broilers** up 4%; and **turkeys** up 3%. The **U.S. trade** deficit for goods and services increased to \$41.3 billion in September, from a revised \$39.5 billion in August. The **U.S. agricultural trade** surplus was \$559 million in September, compared with \$769 million in August.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.1% in October but has increased 2.0% over the last 12 months. The **PPI** increased 0.8% in October and has increased 3.4% over the last 12 months. The October **prime rate**, averaging 4%, was unchanged since July. Compared to a year earlier, **feed** prices in October were up 2%; **feeder livestock and poultry** were up 24%; **fertilizer** up 17%; **ag chemicals** up 1%; **farm machinery** up 1%, **seeds** up 9% and **fuels** down 3%.

**World Weather and Crop Developments** (November 9-16). In the **United States**, eastern Corn Belt and Atlantic Coast, along with parts of the Southwest, Pacific Northwest, northern Rocky Mountains, and northern Great Plains, had slightly below-normal temperatures. Across the rest of the Nation, temperatures were slightly above normal. Except for a few areas, temperatures were within 6 degrees Fahrenheit of normal. Most of the Great Plains remained dry, stressing winter wheat. The western Corn Belt and coastal areas of the Southeast also had little precipitation, aiding harvest activities. Moderate to heavy rainfall in the Ohio Valley promoted winter wheat emergence and improved crop condition. In the Pacific Northwest, moderate precipitation fell in the coastal areas but did not help winter wheat further inland. Parts of the Rocky Mountains and the Mississippi Delta also had moderate precipitation, while rainfall was light to moderate in New England. Unseasonably cool, dry weather aided late-season fieldwork in **Ukraine** and southern **Russia** but halted further winter wheat growth. Widespread rain favored winter crop establishment in western **Europe**, while unseasonably cool, dry weather slowed crop establishment farther east in **Germany**. Across the **Middle East**, widespread rain boosted moisture supplies for winter grain establishment, although unseasonably cold weather in central **Turkey** slowed crop development. In northern **Morocco** and **Tunisia**, rain boosted topsoil moisture for early winter grain planting, while elsewhere, drier weather favored pre-planting fieldwork. Hot, dry weather in western and southeastern **Australia** accelerated winter grain maturation and harvesting, while mostly dry weather in eastern Australia hampered summer crop development. In South **Asia**, seasonably dry weather favored summer grains, oilseeds, and cotton harvesting. A tropical storm passed over the central **Philippines**, causing some flooding in eastern areas. Mostly dry weather supported final harvests throughout much of **China**. Drought continued in parts of western Argentina, but widespread, locally heavy showers fell from **Buenos Aires** northeastward into **Brazil**. Beneficial rain improved planting prospects in many previously dry corn areas of South **Africa**. Across northern and central **Mexico**, seasonably dry weather favored summer crop maturation and early harvesting, while showers aided immature summer crops in the east.

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