

NASS

Monthly Ag. Newsletter

NASS-NF88

"The Fact Finders for U.S. Agriculture"

November 2004

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.

For your convenience, all NASS reports are available free of charge on the Internet: <http://www.usda.gov/nass/>.

For further information on these topics e-mail your inquiry to nass@nass.usda.gov or call 800-727-9540.

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 2004 corn production is 11.7 billion bushels, up 1% from the last forecast and 16% above last year. Based on November 1 conditions, yields are expected to average 160.2 bushels per acre, up 1.8 bushels from last month and up 18.0 bushels from a year ago. If realized, both production and yield would be the largest on record. The World Agricultural Outlook Board (WAOB) projected 2004/05 ending stocks of corn are up 128 million bushels from last month as a result of the higher production forecast. Corn exports are forecast at 2.05 billion bushels, down 25 million bushels from last month due to the slow pace of export sales to date and lower projected imports by Mexico, South Korea, and several other major markets. A market year average price between \$1.70 and \$2.10 per bushel is expected, compared with \$2.42 for the 2003 crop.

Soybeans. The 2004 soybean crop is forecast at 3.15 billion bushels, up 1% from October and up 28% from last year. The yield forecast, at 42.6 bushels per acre, increased 0.6 bushel from last month and is 8.7 bushels above 2003. If realized, both production and yield would be the largest ever recorded. WAOB projected ending stocks are up 55 million bushels from last month, to 460 million bushels, the highest level since 1985/86. Soybean exports are forecast at 1.01 billion bushels, down 15 million bushels from last month mainly reflecting lower import demand in China. Soybean crush, at 1.65 billion bushels, is unchanged from last month. A market year average price is projected between \$4.55 and \$5.35 per bushel, down 15 cents from last month on both ends of the range, and below the 2003 average price of \$7.34.

Cotton. All U.S. cotton production is forecast at 22.5 million 480-pound bales, up 5% from last month and up 23% from last year's production. Yield is expected to average a record high 818 pounds per harvested acre, up 36 pounds from last month and 88 pounds above the previous year. According to WAOB, exports are raised 200,000 bales this month, while domestic mill use is unchanged. World projections of production are up 1.9%. Global consumption is raised about 1.5 million bales, due mainly to increases for China, India, and Turkey. World ending stocks are increased to 2.6 million bales from last month, including 1.3 million bales in China.

Rice. U.S. rice production is forecast at a record high 228 million cwt, up 1% from October and up 14% from 2003. The average yield is forecast at a record high 6,828 pounds per acre, up 65 pounds from last month and 183 pounds above last year. Ending stocks for 2004/05 are projected by the WAOB at 41.8 million cwt, up 1.1 million cwt from last month. Exports are projected at 105 million cwt, 1 million cwt above last month, and 1.3 million cwt above 2003/04. A market year average price is expected between \$7.00 and \$7.50 per cwt compared with \$7.49 per cwt for the 2003 crop.

Other Crops. **Grain Sorghum** production is forecast at 472 million bushels, up 2% from October and up 15% from 2003. The sorghum yield forecast is 71.9 bushels per acre, up 1.5 bushels from last month and up 19.2 bushel from last year. The **peanut crop** is forecast at 4.20 billion pounds, up 2% from last month and 1% above last year's crop. Yields are expected to average 3,027 pounds, 55 pounds above the October forecast but down 132 pounds from 2003.

Cattle. Mid-November **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$82 per cwt, down \$1 from mid-October. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$112 per cwt, down \$3 from a month earlier.

Hogs. Through the first two weeks of November, hog **slaughter** was running about 4.4% below a year ago. Cash **prices** at mid-November (Iowa-Southern Minnesota direct, 51-52% lean) averaged \$58 per cwt, up \$8 from the mid-October price. Fourth quarter prices are expected to average \$51 per cwt.

Other. October **milk production** was up 1.3% from the previous year. Production per cow increased 1.0%, while the number of cows increased 0.3% 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 2004 was 1.3% above the previous year. **Butter** production during this same time period was 25.8% above last year. Production of **nonfat dry milk for human food** was down 2.3% from September 2003. US table **egg production** during October 2004 totaled 6.56 billion, up 3% from October 2003. Wholesale market **egg prices** for the fourth quarter of 2004 (Grade A large, New York) are expected to average 64-66 cents per dozen, compared with 110.7 cents a year ago. First quarter 2005 egg prices are expected to average 63-67 cents per dozen, compared with 114.9 cents a year earlier. **Broiler-Type chicks hatched** during October 2004 totaled 758 million, up 3% from last year. Weekly **Broiler-Type Placements** in 19 selected states for the week ending November 13, 2004, were 161 million, up 4% from a year ago. Cumulative placements for the 19 selected states for the period December 28, 2003 - November 13, 2004 totaled 7.88 billion, up 3% from the 7.68 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2004 is expected to be 69-71 cents, compared with 64.6 cents from the fourth quarter of last year. First quarter 2005 **broiler prices** are expected to average 69-73 cents per pound, compared with the 73.2 cents for a year earlier. **Turkey Poult Placements** in October 2004, at 20.8 million, were down 9% from last October. Cumulative placements for the 2005 marketing year are 42.1 million poults, down 6% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2004 are expected to be 75-77 cents compared with 67.4 cents for the fourth quarter last year. **Turkey prices** for the first quarter of 2005 are expected to average 61-65 cents per pound, compared with the 62.1 cents average for the first quarter of 2004. **Supplies in refrigerated warehouses** at the end of October 2004 compared with a year earlier were: total chicken, up 33%; turkey, down 16%; pork, down slightly; bellies, down 24%; beef, up 22%; frozen orange juice, up 20%; butter, down 38% and American cheese, up 7%.

Trade. November U.S. **trade projections** for rice, cotton, beef, broilers, and turkeys improved while 2004/2005 export prospects for corn and soybeans declined, compared with last month. Wheat and pork were unchanged from October. November projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 16%; **corn** up 8%; **rice** unchanged; **soybeans** up 14%; **soybean meal** up 24%; **soybean oil** up 16%; and **cotton** down 9%. November projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 40%; **pork** up 2%; **broilers** up 10%; and **turkeys** up 13%. The U.S. **trade deficit** for goods and services decreased to \$51.6 billion in September, from a revised \$53.5 billion in August. The U.S. **agricultural trade surplus** was \$450 million in September, compared with a deficit of \$150 million in August.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.5% in October and has increased 3.2% over the last 12 months. The **PPI** increased 1.7% in October and has increased 4.4% over the last 12 months. The October **prime rate**, averaging 4.75%, was up from 4.58% in September. Compared to a year earlier, **feed prices** in October were down 5%; **feeder livestock and poultry** were up 12%; **fertilizer** up 12%; **ag chemicals** down 2%; **farm machinery** up 7%, **seeds** up 1% and **fuels** up 34%.

World Weather and Crop Developments (November 7-14). In the **United States**, Warm, dry weather favored fieldwork across the northern Great Plains and northern Corn Belt. Meanwhile, a storm system gradually moved across the southern half of the Nation throughout the week, causing moderate precipitation and limiting fieldwork from California to the southern and middle Atlantic Coast States. Temperatures were below normal in the eastern Corn Belt, along the Atlantic Coast, in southern California, and in Texas, while above-normal temperatures prevailed across the rest of the Nation. Much cooler weather prompted cold hardening in winter crops in western **Europe**, while widespread rain boosted topsoil moisture for crop establishment in southeastern Europe. Winter grains continued to ease into dormancy in northern **Russia**, while above-normal temperatures stimulated further growth in Ukraine and southern Russia. Persistent dryness continued to delay rainfed winter grain planting across central **Turkey**, while widespread rain boosted planting prospects in western **Iran**. Scattered showers hampered fieldwork in central **India**, but summer crop harvesting and winter crop planting advanced elsewhere. Heavy showers overspread **Algeria** and **Tunisia**, spurring planting of winter grains. In South **Africa** showers returned to northern and eastern sections of the corn belt, but unfavorable warmth and dryness persisted in other major summer crop areas. Widespread rain continued in eastern **Australia**, slowing winter grain maturation and delaying harvesting, but further improving moisture supplies for dryland and irrigated summer crops. Mostly dry weather favored seasonal fieldwork on the North **China** Plain. Across most of **Mexico**, seasonably dry weather favored summer crop maturation and early harvesting. Locally heavy showers continued in major soybean, coffee, and winter wheat areas of **Brazil**. Rain soaked northern agricultural areas, but dry weather returned to most of central **Argentina**.

To order printed copies of NASS reports, call the toll-free sales order desk direct at 1-800-999-6779. For further information on NASS programs, products, and services call toll-free 1-800-727-9540. The next newsletter will be issued on December 22, 2004.