

# 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 2.17 billion bushels, down 2% from the July forecast but up slightly from 2004. Based on conditions as of August 1, the U.S. yield is forecast at 43.0 bushels per acre, down 0.8 bushel from last month and 0.2 bushel below last year. The World Agricultural Outlook Board (WAOB) projected 2005/06 U.S. ending stocks are down 66 million bushels from July due to lower production and higher exports. The projected price range for 2005/06 is \$2.85 to \$3.35 per bushel compared with \$3.40 for the 2004/05 crop.

**Corn.** The August forecast for 2005 corn production is 10.3 billion bushels, down 12% from the record high last year. U.S. yields are expected to average 139.2 bushels per acre, down 21.2 bushels from a year ago. A market year average price between \$1.80 and \$2.20 per bushel is expected compared with \$2.07 for the 2004/05 crop. WAOB projected global production for the 2005/06 crop year is expected to be down 7%, and global ending stocks are expected to be down 15% from the 2004/05 crop year.

**Soybeans.** The 2005 soybean crop is forecast at 2.79 billion bushels, down 11% from last year. Based on August 1 conditions, yields are expected to average 38.7 bushels per acre, down 3.8 bushels from the record high U.S. yield set in 2004. A market year average price is projected between \$5.50 and \$6.50 per bushel compared with \$5.80 for the 2004/05 crop year and up 40 cents on both ends of the range from last month. Global production for the 2005/06 crop year is projected by WAOB to be up 1% from last year and global ending stocks are expected to be up 5%.

**Cotton.** The U.S. cotton production is forecast at 21.3 million 480-pound bales, down 8% from last year's production. The yield is expected to average 748 pounds per acre, down 107 pounds from 2004. According to WAOB, exports are raised 500,000 bales this month, while domestic mill use is unchanged. The world forecasts show lower beginning stocks and higher production relative to last month, with ending stocks up about 2%. Production is raised in the United States, India, and the African Franc Zone, but reduced in Brazil and Australia.

**Rice.** U.S. rice production is forecast at 227 million cwt, down 2% from 2004. Based on August 1 conditions, yields are forecast at 6,897 pounds per acre, down 45 pounds from the record high in 2004. Harvest is underway in Louisiana and Texas. WAOB projects the market year average price to average between \$7.25 and \$7.55 per cwt compared with their estimate of \$7.30 for the 2004/05 crop.

**Other Crops.** The U.S. August **Durum wheat** forecast, at 93.0 million bushels, is down 1% from last month but up 3% from 2004. The August **Other Spring wheat** production is forecast at 553 million bushels, down 6% from July and 3% below 2004. **Grain Sorghum** is forecast at 380 million bushels, down 16% from 2004. **Barley** production is forecast at 237 million bushels, down 3% from July and 15% below 2004. **Oat** production is forecast at 128 million bushels, down 3% from July but up 10% from 2004. The **peanut crop** is expected to be up 21% from last year; **dry edible bean** production up 45%; **tobacco** production down 23%; **alfalfa hay** production down 2% from 2004; and **other hay** production down 8%.

**Cattle.** Mid-August **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$79 per cwt, up \$1 from mid-July. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$114 per cwt, up \$2 from a month ago.

**Hogs.** For the first two weeks of August, hog **slaughter** was running 1.3% below a year ago. Cash **prices** at mid-August (Iowa-Southern Minnesota direct, 51-52% lean) averaged \$49 per cwt, down \$1 from the mid-July price. Fourth quarter prices are expected to average \$41 per cwt.

**Other.** July **milk production** was up 4.2% from the previous year. Production per cow increased 3.6%, while the number of cows increased 0.6% from a year earlier. 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 2005 was 6.4% above the previous year. **Butter** production during this same time period was 5.2% above last year. Production of **nonfat dry milk for human food** was down 13.1% from June 2004. US table **egg production** during July 2005 totaled 6.44 billion, down slightly from July 2004. Wholesale market **egg prices** for the third quarter of 2005 (Grade A large, New York) are expected to average 59-61 cents per dozen, compared with 66.2 cents a year ago. Fourth quarter 2005 egg prices are expected to average 64-68 cents per dozen, compared to 68.0 cents a year earlier. **Broiler**-Type chicks hatched during July 2005 totaled 808 million, up slightly from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending August 13, 2005, were 176 million, up slightly from a year ago. Cumulative placements for the 19 selected states for the period January 2, 2005 - August 13, 2005 totaled 5.63 billion, up 2% from the 5.53 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2005 is expected to be 72-74 cents, compared with 75.7 cents from a year earlier. Fourth quarter 2005 broiler prices are expected to average 71-75 cents per pound, compared with the 68.3 cents for a year earlier. **Turkey** Poult Placements in July 2005, at 24.5 million, were down 2% from July 2004. Cumulative placements for the 2005 marketing year are 249 million poults, down 3% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2005 are expected to be 72-74 cents compared with 73.1 cents for the third quarter last year. Turkey prices for the fourth quarter of 2005 are expected to average 76-80 cents per pound, compared with the 77.1 cents average for the fourth quarter of 2004. **Supplies in refrigerated warehouses** at the end of July 2005 compared with a year earlier were: total chicken, down 4%; turkey, down 15%; pork, up 21%; bellies, up 115%; beef, down 11%; frozen orange juice, down 23%; butter, down 10% and American cheese, down 3%.

**Trade.** August U.S. **trade projections** for wheat, rice, cotton, and turkeys improved while 2004/2005 export prospects for soybeans declined, compared with last month. Corn, beef, pork, and broilers were unchanged from July. August projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 8%; **corn** up 7%; **rice** up 10%; **soybeans** down slightly; **soybean meal** down 14%; **soybean oil** down 8%; and **cotton** up 7%. August projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 4%; **pork** up 3%; **broilers** down 5%; and **turkeys** up 3%. The **U.S. trade** deficit for goods and services increased to \$58.8 billion in June, from a revised \$55.4 billion in May. The **U.S. agricultural trade** had a deficit of \$94 million in June, compared with a surplus of \$39 million in May.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.5% in July and has increased 3.2% over the last 12 months. The **PPI** increased 1% in July and 4.6% over the last 12 months. The July **prime rate**, averaging 6.25%, was up from 6.01% in June. Compared to a year earlier, **feed** prices in July were down 5%; **feeder livestock and poultry** were unchanged; **fertilizer** up 16%; **ag chemicals** were unchanged; **farm machinery** up 6%, **seeds** up 8%, and **fuels** up 40%.

**World Weather and Crop Developments** (August 14-21). In the **United States**, near-normal temperatures and moderate rainfall in the Corn Belt increased soil moisture levels, improving the condition of soybeans. However, much of the corn crop was beyond the critical dough stage. In the northern and central Great Plains, mostly dry weather favored small grain harvest and summer crop development. Dry weather remained a concern in the Mississippi Delta, where crop conditions declined. However, soil moisture remained adequate to locally excessive in the Southeast. Mostly dry conditions prevailed along the West Coast and across the Northern Rocky Mountains, encouraging small grain harvest. Occasional showers in France and Germany slowed winter and spring grain harvesting, while heavy rain in southeastern **Europe** renewed flooding concerns. Unseasonably warm, dry weather favored rapid winter and spring grain harvesting in **Russia**, while scattered showers caused only brief harvest delays in **Ukraine**. Cool, showery weather slowed maturation of Prairie grains and oilseeds in **Canada**. Rain in western and southern **Australia** benefited vegetative winter wheat and barley, while dry weather in northern New SouthWales and Queensland further reduced moisture supplies for jointing winter grains. Showers hampered fieldwork in coffee and sugarcane areas along the eastern coast of **Brazil**. Light showers returned to winter wheat areas of southern **BuenosAires**.

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