

# 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 2.30 billion bushels, up 2% from the August forecast, but down fractionally from 1999. The World Agricultural Outlook Board (WAOB) projected 2000/01 ending stocks are up 14 million bushels from last month as a larger crop more than offsets increased exports. The projected price range for 2000/01 is \$2.25 to \$2.75 per bushel compared to \$2.48 for the 1999 crop. Projected U.S. exports are 25 million bushels above last month's forecast due to reduced competition.

**\*Corn.** The September forecast for 2000 corn production is 10.4 billion bushels, virtually unchanged from the last forecast, but up 10% from last year. The projected 2000/01 price range for corn is \$1.50 and \$1.90 a bushel compared to \$1.80 for the 1999 crop. Projected domestic use of corn is up 65 million bushels from last month, as corn is substituted for drought-reduced sorghum production. Projected U.S. 2000/01 ending stocks are expected to be down 147 million bushels from last month because of lower carryin stocks and higher expected use.

**\*Soybeans.** The 2000 soybean crop is forecasted at a record high 2.90 billion bushels, down 3% from August 1, but 10% above last year. A market year average price is projected between \$4.35 and \$5.15 per bushel, up 40 cents per bushel from last month, compared to \$4.65 for the 1999 crop year. Global 2000/01 oilseed production is projected at a record 304.8 million metric tons, down 3.2 million tons from last month, but up 6.1 million tons from last year.

**\*Cotton.** The September 1 U.S. cotton production is forecast at 18.3 million 480-pound bales, down 4% from last month, but up 8% from 1999. This month's 2000/01 projections also feature lower world production and ending stocks. Domestic mill use for 2000/01 is unchanged, but exports are reduced 300,000 bales as a result of lower supply. Estimated U.S. ending stocks are cut 700,000 bales to 4.2 million bales.

**\*Rice.** U.S. rice production is forecasted at 192 million cwt, down 3% from August 1 and 7% below the 1999 revised level. Harvest was ahead of schedule in Louisiana and Texas, as all States had begun harvest by September 3. The market year average price is expected to average between \$5.50 and \$6.50 per cwt compared to \$6.11 per cwt for the 1999/2000 crop.

**\*Other Crops.** The September **Durum Wheat** forecast, at 118 million bushels, is up 2% from last month and 19% more than 1999. The September **Other Spring Wheat** production is forecast is 590 million bushels, up 7% from a month ago and 17% from a year ago. **Grain Sorghum** is forecast at 516 million bushels, down 11% from last month and 13% from 1999. **Barley** production is forecast at 310 million bushels, less than 1% higher than August and 10% above 1999. The **peanut crop** is expected to be down 2% from last year; **all tobacco** production is down 15% from last year.

**\*Cattle.** September 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 10.38 million head, up 9% from a year earlier. August placements were up slightly from the previous year. Marketings of fed cattle were up 7% from 1999. At mid-September, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$64 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$84 per cwt in mid-September, down \$2 from mid-August.

**\*Hogs.** During the first two weeks of September slaughter has been running about 1% below a year ago. Prices at mid-September (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$44 per cwt, unchanged from mid-August. Fourth quarter prices are expected to average \$40 per cwt.

**\*Other Livestock.** August **milk production** was up 4.0% from the previous year. Production per cow increased 2.9%, however, the number of cows was only up 1.1%. **Cheddar cheese prices** (U.S. 500 pound barrels, wholesale) were up 10 cents the first two weeks of September. During July, total **cheese** production was 5.7% above the previous year, **butter** production was up 2.7% and **nonfat dry milk** production was up 22.9%. US table **egg production** during August 2000 totaled 6.01 billion, up 2% from 1999. Wholesale market **egg prices** for the third quarter of 2000 (Grade A large, New York) are expected to average 65-66 cents per dozen, compared with 66.2 cents a year ago. Fourth quarter 2000 egg prices are expected to average 65-69 cents per dozen, compared with 63.2 cents a year ago.

**Broiler**-Type chicks hatched during August 2000 totaled 740 million, down slightly from last year. Cumulative Broiler-Type Placements in 15 selected states thru September 16, 2000 were 5.40 billion, 1% above a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2000 is expected to be 56-57 cents, compared to 58.1 cents for the third quarter of last year. Fourth quarter 2000 broiler prices are expected to average 54-56 cents per pound, compared with the 57.6 cents for a year earlier. Cumulative **turkey poult placements** for the 2000 marketing year through August 2000 were 297 million, 1% above the same period a year ago. Placements in August 2000, at 25.4 million, were up 3% from last August. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2000 are expected to be in the 73-74 cent range compared with 73.8 cents for the third quarter last year. Turkey prices for the fourth quarter of 2000 are expected to average 76-80 cents per pound compared with the 76.9 cents average for the fourth quarter of 1999. **Supplies in refrigerated warehouses** at the end of August 2000 compared with a year earlier were: total chicken, down 5%; turkey, down 10; pork, up 4; bellies, down 6; beef, down slightly; frozen orange juice, down 10; butter, up 11; and American cheese, up 17.

**\*Trade.** September U.S. **trade projections** for wheat, corn, beef, and broilers improved while 2000/2001 export prospects for rice, soybeans, and cotton declined, compared with last month. Pork and turkeys were unchanged from August. September projections for the volume of exports for the 2000/2001 marketing year compared to 2000/2001 are: **wheat** up 3%; **corn** up 13%; **rice** down 10%; **soybeans** up 2%; **soybean meal** up 4%; **soybean oil** up 32%; and **cotton** up 16%. September projections for the volume of meat exports in calendar 2001 compared to 2000 are: **beef** down 2%; **pork** up 4%; **broilers** up 3%; and **turkeys** up slightly. The U.S. **trade deficit** for goods and services increased to \$31.6 billion in July, from a revised \$29.8 billion in June. The U.S. **agricultural trade surplus** was \$831.100 million in July, compared with \$747.100 million in June.

**\*Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.1% in August and has increased 3.4% over the last 12 months. The **PPI** decreased 0.2% in August, but has increased 3.3% for the 12-month period ending in August. The August **prime rate**, averaging 9.50%, was unchanged from June. Compared to a year earlier, **feed prices** in July were up 4%; **feeder livestock and poultry** prices up 21%; **fertilizer** was up 4%; **ag chemicals** down 2%; **farm machinery** up 1%; **seeds** up 2%; and **fuels** up 40%.

**\*World Weather and Crop Developments** (September 10-16). In the **United States**, hot, dry weather persisted across the western half of the Nation, favoring summer crop dry down and harvesting, but causing winter wheat planting delays and hampering the emergence of already planted wheat. Weekly temperatures averaged generally 4 to 10 degrees F above normal in the Plains and Intermountain West, peaking at or above 100 degrees F as far north as southern Idaho and southeastern Montana. In contrast, widespread, locally heavy showers preceded the arrival of sharply cooler air in the Midwest and East. Weekly rainfall exceeded 2 inches in many areas from Wisconsin and Illinois into the Northeast, slowing fieldwork but aiding immature summer crops in the northern Corn Belt. Late-week frost in the northern Corn Belt did not adversely effect maturing corn and soybeans, although temperatures fell to 40 degrees F or below as far south as central Illinois. Farther south, showers slowed fieldwork but boosted topsoil moisture from eastern Texas to Mississippi. At week's end, Hurricane Gordon formed over the eastern Gulf of Mexico, then moved north-northeastward and weakened to tropical-storm intensity before making landfall near Cedar Key, FL on the evening of September 17. Warmer, drier weather in **Ukraine** favored fieldwork for summer crop harvesting and winter wheat planting, while light to moderate showers in central and northern **Russia** provided favorable topsoil moisture for winter grain emergence and establishment. Scattered showers maintained moisture supplies across northern **Europe**, causing only brief fieldwork delays. Drier, seasonably warm weather hastened winter crop development in the west and southeast **Australia**. Unfavorable dryness continued in oilseed areas of central **India**. In **Canada**, warm, dry weather aided spring crop harvesting across the Prairies, but wet weather kept summer crops in the eastern part of the country unfavorably wet. Across most of **China**, warm, dry weather aided summer crop maturation and harvesting and early winter crop planting. Heavy showers associated with Typhoon Saomai slowed rice maturation and caused some rice damage across **South Korea** and central **Japan**. In southern **Brazil**, heavy showers continued to boost soil moisture for summer crop planting, but slowed winter wheat maturation and early harvesting.

**\*Other News.** The level of **U.S. agricultural exports** will climb in fiscal 2001, for the second year in a row, according to USDA projections. Exports should increase to \$51.5 billion--2% over revised estimates for fiscal 2000--marking a continuing upswing since the Asian financial setbacks of 1997-99. A rise in volume (quantity) accounts for much of the gain, as large global supplies of many commodities are expected to keep prices relatively low. Consumers continue to see only modest increases in **food prices**, with the Consumer Price Index (CPI) for all food forecast to rise 2.1 percent in 2000 and 2-2.5 percent in 2001. This follows increases of 2.2 percent in 1998 and 2.1 percent in 1999. **Direct government payments**, topping \$20 billion in 1999 and forecast even higher in 2000, have greatly enhanced farm income during the last 2 years, but effects on resource allocation and agricultural markets vary across programs. A new USDA report finds the number of U.S. households that experienced food insecurity declined by about 12% from 1995 to 1999, and the number of **households that experienced hunger** declined by 24% over the same period. Despite this improvement, however, nearly 8 million people -- over a third of them children -- lived in households that experienced hunger in 1999. The Senate gave final approval to a bitterly contested bill granting **permanent normal trade relations to China** despite stiff opposition from organized labor and human rights groups. Agricultural sales could return to record levels in the next few years, USDA officials said.

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