

# 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.

**\*Corn.** U.S. growers intend to plant 77.9 million acres of corn for all purposes in 2000, up 1% from 1999. Corn stocks in all positions on March 1 totaled 5.61 billion bushels, 2% below a year earlier. Ending stocks on September 1, 2000, are expected to total 1.76 billion bushels, down 2% from last year. The projected market year price range for the 1999 corn crop is \$1.85 to \$1.95 per bushel.

**\*Soybeans.** U.S. soybean producers intend to plant a record 74.9 million acres in 2000, 1% above last year. Soybeans stored in all positions on March 1 totaled 1.40 billion bushels, down 4% from the previous year. Ending stocks on September 1, 2000, are expected to total 305 million bushels, down 12% from last year. The market average price for the 1999 crop is projected between \$4.50 and \$4.90 per bushel.

**\*Cotton.** All cotton plantings for 2000 are expected to total 15.6 million acres, 5% above 1999. If realized, this would be the largest acreage since 1995 and the second largest since 1962. Upland acreage is expected to be up 5% from 1999, while American-Pima acreage is expected to decrease 25% from last year.

**\*Wheat.** The 2000 all wheat planted area is expected to total 61.7 million acres. This is down 2% from 1999 and the lowest level since 1973. Durum wheat acres are expected to decrease 11% from last year. The 2000 other spring wheat planted acreage is estimated at 14.8 million acres, down 4% from last year. All wheat stocks on March 1 were estimated at 1.41 billion bushels, down 3% from a year ago. The market year price for the 1999 crop is expected to be between \$2.45 and \$2.55 per bushel.

**\*Rice.** Growers intend to plant 3.40 million acres, 5% below a year ago. The 1999/2000 market year average price is expected to average between \$6.05 and \$6.15 per cwt.

**\*Grain Sorghum.** Plantings are expected to total 8.98 million acres, down 3% from last year. **Barley** acreage intentions, at 5.73 million acres, are up 10% from 1999. U.S. all **tobacco** for harvest in 2000 is forecast at 500,700 acres, down 22% from last year. If realized, this will be the lowest all tobacco acreage level since 1874. Large reductions are expected in all Flue-cured and Light Air-cured types.

**\*Cattle.** April 1 **cattle on feed** in U.S. feedlots with capacity of 1,000 or more totaled 11.19 million head, up 8% from a year earlier. March placements were down 1% from the previous year. Marketings of fed cattle were 3% above 1999. At mid-April, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$74 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$84 per cwt in mid-April, unchanged from mid-March.

**\*Hogs.** During the first two weeks of April, slaughter has been running about 5% below a year ago. Prices at mid-April (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$51 per cwt, up \$7 from mid-March. Third quarter prices are expected to average \$47 per cwt.

**\*Other Livestock.** March **milk production** was up 3.8% from the previous year. Production per cow increased 3.1%; however, the number of cows was only up 0.7%. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) were unchanged for the first week of April and only down slightly for the second week. During February, total **cheese** production was 6.6% above the previous year, **butter** production was up 16.4%, and **nonfat dry milk** production was up 14.5%. Sheep slaughter totaled 344 thousand head, 19 % below last year. The average live weight was 140 pounds, up 3 pounds from March a year ago. US table **egg production** during March 2000 totaled 6.10 billion, up 3% from 1999. Wholesale market **egg prices** for the second quarter of 2000 (Grade A large, New York) are expected to average 54-56 cents per dozen, compared with 58.1 cents a year ago. Third quarter 2000 egg prices are expected to average 58-62 cents per dozen, compared with 66.2 cents a year ago. **Broiler-Type** chicks hatched during March 2000 totaled 756 million, unchanged from last year. Cumulative Broiler-Type Placements in 15 selected states for 2000 was 2.18 billion, 1% above a year ago. The wholesale 12 city average price for whole **broilers** for the second quarter of 2000 is expected to be 56-58 cents, compared to 58.6 cents for the second quarter of last year. Third quarter 2000 broiler prices are expected to average 56-60 cents per pound, compared with the 58.1 cents for a year earlier. Cumulative **turkey poult placements** for the 2000 marketing year through March 2000 were 168 million, 1% more

than the same period a year ago. Placements in March 2000 at 25.8 million, were 1% less than last March. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2000 are expected to be in the 65-67 cent range compared with 65.8 cents for the first quarter last year. Turkey prices for the third quarter of 2000 are expected to average 67-71 cents per pound, compared with the 73.8 cents average for the third quarter of 1999. **Supplies in refrigerated warehouses** at the end of March, 2000 compared with a year earlier were: total chicken, up 3%; turkey, up 6; pork, down 9; beef, up 9; frozen orange juice, down 15; butter, down 10; and American cheese up 13%.

**\*Trade.** April U.S. **trade projections** for wheat, soybeans, beef, and broilers improved while 1999/2000 export prospects for corn declined compared with last month. Rice, cotton, pork, and turkeys were unchanged from March. April projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat** up 3%; **corn** down 4%; **rice** up 2%; **soybeans** up 16%; **soybean meal** down 3%; **soybean oil** down 37%; and **cotton** up 50%. April projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** up 1%; **pork** up 3%; **broilers** up 2%; and **turkeys** up 3%. The **U.S. trade** deficit for goods and services increased to \$29.9 billion in February, from a revised \$27.4 billion in January. The **U.S. agricultural trade** surplus was \$1.1334 billion in February, compared with \$1.0266 billion in January.

**\*Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.8% in March and has increased 3.7% over the last 12 months. The February **PPI** increased 1% in March, and has increased 4.5% for the 12-month period ending in March. The March **prime rate**, averaging 8.83%, was up from 8.73% in February. Compared to a year earlier, **feed** prices in March were up 8%; **feeder livestock and poultry** prices up 17%; **fertilizer** up 3%; **ag chemicals** up 1%; **farm machinery** down 1%; **seeds** down 2%; and **fuels** more than doubled last year.

**\*World Weather and Crop Developments** (April 9-15). In the south of **Russia**, wet weather early in the week slowed spring grain, sugarbeet, and sunflower planting, but provided generous topsoil moisture for winter grains in the vegetative stage. In **Ukraine**, unseasonably warm and mostly dry weather spurred rapid growth of winter grains and allowed spring grain planting to rapidly progress northward. Winter grains remained dormant in most areas during the month, with greening confined to crop areas along the Black Sea coast. Cotton and sorghum harvests progressed across southern Queensland and northern New South Wales, **Australia**, although scattered showers slowed fieldwork in westernmost growing areas. In central **Argentina**, early-week moderate showers covered northern and eastern Buenos Aires, maintaining favorable moisture supplies for second-crop soybeans. While this moisture slowed summer crop harvesting, drier weather later in the week favored fieldwork. Soybeans were 16% harvested (entirely first-crop soybeans), compared with 11% harvested last year. During late March and early April, drier weather favored soybean harvesting in the northern soybean-producing areas of southern **Brazil**. Heavy rain slowed early harvesting in Rio Grande do Sul, Brazil during late March, but benefited late-maturing soybeans. In the **U.S.** significant rain fell across large parts of the **South** for the sixth consecutive week, further easing long-term drought and benefiting recently planted summer crops, including corn, cotton, sorghum, and rice. Some fields in the lower **Mississippi Valley** and adjacent areas remained too wet for fieldwork, but unfavorable dryness persisted in portions of western and southern **Texas**, the central **Gulf Coast** region, and the lower **Southeast**. Farther north, scattered precipitation overspread the western **Corn Belt** at week's end, boosting topsoil moisture but failing to dent long-term drought. Drought also remained a concern elsewhere in the **Corn Belt**, despite recent improvements in topsoil moisture. Meanwhile, generally beneficial rain returned to northern and central **California**, following 4 weeks of favorably dry and often warm weather that promoted fieldwork and initial summer crop planting.

**\*Other News.** U.S. **farm income** is forecast down in 2000 as government payments to farmers decline from a record high in 1999 and rising fuel prices push up production costs. Assuming no new emergency funding legislation, net farm income in 2000 is forecast to decline to \$39.7 billion from the preliminary estimate of \$44.2 billion for 1999. With field crop prices remaining relatively low and hog and cattle prices moving higher, crop farms will be affected more than livestock. Fuel costs for farmers will be only modestly affected by the recent retreat in crude oil prices until at least late summer, after plantings are complete. The agriculture sector generally has limited ability, in the short run, to pass on higher fuel costs to consumers in the form of higher output prices. Political debate over agricultural subsidies and the notion of a "fair" income from farming is likely to continue as farmers face persistent low field crop prices and the prospect of reduced farm income in 2000.

**Planting intentions** for the eight major U.S. field crops (corn, soybeans, wheat, barley, sorghum, oats, cotton, and rice) total 252.6 million acres in 2000, up about 1 million from last year's planted area. The overall **financial health** of farmers and their lenders remains solid in early 2000, despite low prices for major farm commodities over the last few years. **Large Federal payments** to farmers producing food and feed grains, oil crops, and cotton have mitigated the negative effect of lower prices on farm financial conditions and have played a key role in stabilizing farm income. Government payments, by providing liquidity to farmers, are reducing demand for credit and underpinning farm creditworthiness. All major institutional lender groups continue to report generally healthy farm loan portfolios, and most lenders report low levels of delinquencies, foreclosures, net loan charge-offs, and loan restructuring. Higher **interest rates** in the general economy are expected in second-half 2000 and first-half 2001, putting upward pressure on interest rates for farm loans. However, the expected rise in farm loan rates is less than for nonfarm interest rates, reflecting the less-interest-sensitive deposit base of rural banks as well as the strong competition they face from the Farm Credit System.

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