

# 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.** Winter wheat production was forecast, as of June 1, at 1.62 billion bushels, down 2% from May 1, and down 5% from last year. The U.S. yield was forecast at 46.7 bushels per acre. Expected grain area totals 34.7 million acres, unchanged from May. The World Agricultural Outlook Board (WAOB) projected U.S. 2000/01 ending stocks down 28 million bushels from May as a smaller supply more than offsets reduced use. The projected price range for 2000/01 was \$2.40 to \$2.90 per bushel.

**\*Corn.** The U.S. 2000 corn crop was projected at 9.74 billion bushels by the WAOB, unchanged from May but up 3% from last year. The March *Prospective Plantings* area and a trend yield of 137.0 bushels per acre are assumed. Projected 2000/01 ending stocks of corn were down 125 million bushels from May but 100 million bushels above the carryin level. The projected price range for the 2000 corn crop was \$1.65 to \$2.05 per bushel, up 5 cents on each end compared to last month.

**\*Soybeans.** U.S. 2000 soybean output was projected by the WAOB at a record 2.96 billion bushels, unchanged from last month, but up 12% from 1999. Plantings of 74.9 million acres would be a record high and a yield of 40.0 bushels per acre would be the second highest yield on record. Ending stocks for the 2000/01 season were forecasted at 495 million bushels, unchanged from last month. Soybean prices were projected at \$4.00 to \$5.00 per bushel, compared \$4.65 for 1999/00. Soybean meal prices of \$145 to \$175 per short ton are projected.

**\*Cotton.** The U.S. cotton outlook for 2000/01 indicates no change in production, consumption, or trade relative to last month. Ending stocks are reduced 4% due to a change in beginning stocks.

**\*Cattle.** June 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 10.93 million head, up 9% from a year earlier. May placements were up 12% from the previous year. Marketings of fed cattle were 9% above 1999. At mid-June, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$70 per cwt. Third quarter prices are expected to average around \$68 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$87 per cwt in mid-June, up \$3 from mid-May.

**\*Hogs.** During the first two weeks of June slaughter was running about 5% below a year ago. Prices at mid-June (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$50 per cwt, down \$1 from mid-May. Third quarter prices are expected to average \$48 per cwt.

**\*Other Livestock.** May **milk production** was up 2.6% from the previous year. Production per cow increased 1.7%, however, the number of cows was only up 0.8%. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) were down for the first two weeks of June. During April, total **cheese** production was 2.3% above the previous year, **butter** production was up 2.3% and **nonfat dry milk** production was up 10.1%. US table **egg production** during May 2000 totaled 5.97 billion, up 3 percent from 1999. Wholesale market **egg prices** for the second quarter of 2000 (Grade A large, New York) are expected to average 58-59 cents per dozen, compared with 58.1 cents a year ago. Third quarter 2000 egg prices are expected to average 60-64 cents per dozen, compared with 66.2 cents a year ago.

**Broiler-**Type chicks hatched during May 2000 totaled 775 million, up 1 percent from last year. Cumulative Broiler-Type Placements in 15 selected States for 2000 was 3.52 billion, 1 percent above a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2000 is expected to be 55-56 cents, compared to 58.6 cents for the second quarter of last year. Third quarter 2000 broiler prices are expected to average 57-59 cents per pound, compared with the 58.1 cents for a year earlier. Cumulative **turkey poult placements** for the 2000 marketing year through May 2000 were 219 million, slightly above the same period a year ago. Placements in May 2000, at 26.0 million, were down slightly from last May. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2000 are expected to be in the 69-70 cent range compared with 65.8 cents for the second quarter last year. Turkey prices for the third quarter of 2000 are expected to average 69-73 cents per pound, compared with the 73.8 cents average for the third quarter of 1999. **Supplies in refrigerated warehouses** at the end of May 2000 compared with a year earlier were: total chicken, up 1%; turkey, down 4%; pork, down 8%; bellies, down 37%; beef, up 20%; frozen orange juice, down 7%; butter, up slightly; and American cheese, down fractionally.

**\*Trade.** June U.S. **trade projections** for corn, rice, soybeans, beef, pork, and broilers improved for the 2000/2001 marketing year. Wheat, cotton, and turkeys were unchanged from May. June projections for the volume of exports for the 2000/2001 marketing year compared to 1999/2000 are: **wheat** up 3%; **corn** up 5%; **rice** unchanged; **soybeans** up 3%; **soybean meal** up 29%; **soybean oil** up 4%; and **cotton** up 18%. June projections for the volume of meat exports in calendar 2001 compared to 2000 are: **beef** down 3%; **pork** up 2%; **broilers** up slightly; and **turkeys** down 4%. The **U.S. trade** deficit for goods and services decreased to \$30.4 billion in April, from a revised \$30.6 billion in March. The **U.S. agricultural trade** surplus was \$541.2 million in April, compared with \$988.9 million in March.

**\*Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.1% in May and has increased 3.1% over the last 12 months. The **PPI** was unchanged in May, and has increased 3.9% for the 12-month period ending in May. The May **prime rate**, averaging 9.24%, was up from 9.00% in April. Compared to a year earlier, **feed** prices in May were up 2%; **feeder livestock and poultry** prices up 19%; **fertilizer** was unchanged; **ag chemicals** down 2%; **farm machinery** up 3%; **seeds** up 2%; and **fuels** up 35%.

**\*World Weather and Crop Developments** (June 11-17). In the **United States**, a wide band of heavy rain boosted soil moisture supplies in the Corn Belt and parts of the southern Great Plains and lower Mississippi Valley. Crop conditions improved in most areas due to the rainfall, but crops in parts of the northern and eastern Corn Belt deteriorated due to excessive soil moisture. In the Southeast, mostly light precipitation temporarily boosted crop conditions, but soil moisture supplies remained very short. Winter wheat harvest rapidly progressed in the Great Plains and lower Mississippi Valley, despite rain delays during part of the week. In the northern Great Plains, growth of small grains was aided by adequate moisture supplies and seasonably cool weather. In southern **Russia**, dry weather was accompanied by a steady increase in temperatures hastening maturity in winter wheat and increasing stress on spring-sown crops. Farther north, variable showers fell from the Baltics and Belarus eastward across northern Russia, benefitting winter grains in the filling stage and spring-sown crops in the vegetative stage. In eastern **Europe**, scattered showers fell in parts of Poland, the Czech Republic, Slovakia, and Austria, helping winter grain and summer crop development. Across the **North China Plain** and the northeast, mostly dry, warm weather stressed emerging to vegetative summer crops. The dry weather favored winter wheat harvesting. In Western **Australia**, light to moderate showers increased topsoil moisture in southern and western sections of the winter grain belt. However, dry, warmer-than-normal weather continued in eastern and northern crop areas, reducing moisture for grain and oilseed germination. Heavy showers maintained adequate moisture supplies in **Thailand's** main-season rice growing areas, while rainfall was lighter in the corn region. Rainfall was moderate throughout **Vietnam's** rice growing areas, causing delays in harvesting of winter-spring rice in the Red River Delta. Moisture supplies for rice, corn, and sugarcane were maintained in the **Philippines** by moderate showers. In southern **Brazil**, light to moderate rain prevailed across eastern Rio Grande do Sul, increasing soil moisture for vegetative winter wheat. Dry weather dominated eastern Santa Catarina, and Parana, favoring wheat planting. Across central **Argentina**, unseasonably heavy rain slowed summer crop harvesting and winter wheat planting, but increased soil moisture. In **India**, rainfall tapered off, fostering summer planting activities. However, locally heavy rain continued over Bangladesh and India's eastern states, causing additional flooding of rice and other crops.

**\*Other News. Farm Commodity Abundance to Continue:** Large supplies of major U.S. field crops, along with low prices, are expected again in 2000/01, according to USDA's first forecast for the season. While domestic consumption of most major oilseeds and grains is anticipated to remain strong because of low prices, export prospects will vary by crop, and ending stocks in 2000/01 will build for soybeans, corn, rice, and cotton. **Red meat and poultry production** in 2001 is forecast at around 83 billion pounds, up less than 1% from this year's expected record. Increased poultry output and a turnaround in pork production will more than offset a modest decline in beef production. Despite plentiful meat supplies, strong consumer demand is likely to maintain hog prices that have risen in 2000, while poultry prices are expected to decline only slightly in 2001. Prices for both fed and feeder cattle will post modest gains as supplies continue to decline. U.S. **garlic** use has soared, hitting a record-high 3.1 pounds per person in 1999, three times the level in 1989. Despite impressive growth for vegetables such as broccoli, bell peppers, and carrots, no other vegetable has experienced stronger growth in demand over the past 10 years. The **U.S. rural economy** remains strong, largely unaffected by low farm prices of recent years. While many view "rural" and "agriculture" as virtually synonymous, the ability of the rural economy to shake off downturns in the farm sector is a reminder that agriculture (including ag-related industries such as input suppliers and food retailing) is not the primary economic engine of rural America. Rural America's nonagricultural economy has grown steadily, outpacing growth in agriculture, so that agriculture's relative importance as a source of jobs and income has declined. In general, it is the strength of the overall economy that has sustained the rural economy. The growing service orientation of the U.S. economy suggests that the key to survival and growth for rural communities is developing and attracting service-sector businesses.

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