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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.

Cotton. Slightly lower production and domestic mill use highlight this month's U.S. cotton situation. The production is forecast at 17.4 million 480-pound bales, down 111,000 bales from last month, but up 3% from 1999. Yield is expected to average 619 pounds per harvested acre, down 3 pounds from the last forecast, but up 12 pounds from last year. Survey and ginnings data indicate a 200,000 bale decrease in Texas production from the November forecast, which more than offset a 150,000 bale increase in California.

Corn. The November forecast for 2000 corn production is 10.1 billion bushels, down 1% from October, but up 7% from last year. Based on November 1 conditions, yields are expected to average 137.7 bushels per acre, down 1.9 bushel from October, but up 3.9 bushel from a year ago. A market year average price between \$1.65 and \$2.05 a bushel is expected, compared to \$1.82 for the 1999 crop.

Soybeans. The 2000 soybean crop is forecast at 2.78 billion bushels, up 5 percent from last year. The yield forecast, at 38.0 bushels per acre, 1.4 bushels above the 1999 final yield. A market year average price is projected between \$4.50 and \$5.10 per bushel, compared with \$4.63 for the 1999 crop year.

Rice. U.S. rice production is forecast at 192 million cwt, down 6.6% from 1999. The average yield is forecast at 6,236 pounds per acre, down 370 pounds from 1999. The market year average price is expected to average between \$5.50 and \$6.00 per cwt compared to \$6.11 per cwt for the 1999/2000 crop.

Wheat. All wheat production totaled 2.22 billion bushels, down 3% from 1999. The average yield is 41.9 bushels per acre, down 0.8 bushel from last year. The market year average price is expected to average between \$2.50 and \$2.70 per bushel compared to \$2.48 per bushel for the 1999 crop.

Other Crops. The **Durum Wheat** crop, at 110 million bushels, was up 10% from last year. **The Other Spring Wheat** crop, at 551 million bushels, was up 9% from a year ago. **Barley** production was estimated at 318 million bushels, 13% above 1999. **Grain Sorghum** production is forecast at 463 million bushels, 22% below the 1999 production of 595 million bushels. The U.S. yield is forecast at 60.4 bushels per acre, 9.3 bushels below the 1999 yield. **The peanut crop** is forecast at 3.51 billion pounds, down 8% from last year. **Pecan** production, known for their alternate bearing pattern, is down 48% from the previous year. **Burley tobacco** production was down 26% from last year. **Fall potato** production and December 1 **potato stocks** are both record highs, up 9% and 13%, respectively. **The All Orange** production forecast for 2000-2001, at 12.6 million tons is down 4% from last season.

Cattle. December 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 11.9 million head, up 2% from a year earlier. November placements were down 7% from the previous year. Marketings of fed cattle were up 1% from 1999. At mid-December, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$77 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$90 per cwt in mid-December, down \$1 from mid-November.

Hogs. During the first two weeks of December slaughter has been running about 5% below a year ago, lower than expected due to weather disruptions. Prices at mid-December (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$43 per cwt, up \$5 from mid-November. First quarter 2001 prices are expected to average \$43 per cwt.

Other Livestock. November **milk production** was up 1.5% from the previous year. Production per cow increased 0.3%; however, the number of cows was up 1.2%. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) were up the first two weeks of December. During October, total **cheese** production was 1.8% above the previous year, **butter** production was up 1.7% and **nonfat dry milk** production was down 1.1%. US table **egg production** during November 2000 totaled 5.98 billion, up slightly from 1999. Wholesale market **egg prices** for the fourth quarter of 2000 (Grade A large, New York) are expected to average 77-78 cents per dozen, compared with 63.2 cents a year ago. First quarter 2001 egg prices are expected to average 63-67 cents per dozen, compared with 63.3 cents a year earlier. **Broiler-** Type chicks hatched during November 2000 totaled 674 million, down slightly from last year. Cumulative Broiler-Type Placements in 15 selected states thru December 16, 2000, were 7.19 billion,

Page 2- Monthly Ag. Newsletter

1% above a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2000 is expected to be 57-58 cents, compared to 57.6 cents for the fourth quarter of last year. First quarter 2001 broiler prices are expected to average 53-55 cents per pound, compared with the 54.6 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through November 2000 were 70.0 million, 4% above the same period a year ago. Placements in November 2000, at 23.4 million, were unchanged from last November. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2000 are expected to be in the 77-78 cent range compared with 69.0 cents for the fourth quarter last year. Turkey prices for the first quarter of 2001 are expected to average 60-64 cents per pound, compared with the 62.9 cents average for the first quarter of 2000. **Supplies in refrigerated warehouses** at the end of November 2000 compared with a year earlier were: total chicken, down 5%; turkey, up 3%; pork, up 7%; bellies, up 48%; beef, up 27%; frozen orange juice, up 9%; butter, down 10%; and American cheese, up 15%.

Trade. December U.S. **trade projections** for wheat, soybeans, and broilers improved while 2000/2001 export prospects for corn declined, compared with last month. Rice, cotton, beef, pork, and turkeys were unchanged from November. December projections for the volume of exports for the 2000/2001 marketing year compared to 1999/2000 are: **wheat** up 3%; **corn** up 14%; **rice** down 10%; **soybeans** up slightly; **soybean meal** down slightly; **soybean oil** up 13%; and **cotton** up 13%. December projections for the volume of meat exports in calendar 2001 compared to 2000 are: **beef** down 2%; **pork** up 4%; **broilers** up slightly; and **turkeys** up 1%. The U.S. **trade** deficit for goods and services decreased to \$33.2 billion in October, from a revised \$33.7 billion in September. The U.S. **agricultural trade** surplus was \$1.771 billion in October, compared with \$1.163 billion in September.

Prices. The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.1% in November and has increased 3.4% over the last 12 months. The **PPI** increased 0.4% in November, and has increased 3.7% for the 12-month period ending in November. The November **prime rate**, averaging 9.50%, was unchanged from October. Compared to a year earlier, **feed** prices in November were up 5%; **feeder livestock and poultry** prices up 7%; **fertilizer** was up 14%; **ag chemicals** up 1%; **farm machinery** was unchanged; **seeds** up 2%; and **fuels** up 37%.

World Weather and Crop Developments (December 10-16). In the **United States**, a trio of winter storms left an extensive snow cover across the Midwest and eased long-term drought in the Mid-South. Weekly rainfall topped 4 inches in parts of the Tennessee Valley, while late-week snow depths ranged from 6 to 15 inches in the northern and western Corn Belt. Significant precipitation, mostly rain, also fell in the Northeast. Although early-week showers caused localized flash flooding in southeastern Florida, most of the peninsula experienced warm and unfavorably dry weather, further increasing irrigation requirements for citrus and winter vegetables. Meanwhile, bitterly cold conditions, light snow, blowing snow, and gusty winds disrupted rural travel and stressed livestock on the northern Plains, where late-week wind chills plummeted as low as -50 to -70°F. Weekly temperatures averaged 10 to 20°F below normal in the western Corn Belt and as much as 27°F below normal in northern Montana. Temperatures remained below 10°F all week in much of North Dakota. In contrast, readings ranged from 1 to 7°F above normal in California and the Southwest. Widespread precipitation returned to areas from northern California to the Pacific Northwest, improving high-elevation snow packs following a slow start to the wet season. In **Ukraine and Southern Russia**, unseasonably warm weather favored dormant winter grains, but kept most crop areas snow-free. Unseasonably mild weather prevailed throughout **Europe**, spurring winter grain growth in the west and slowing cold hardening in the east. Winter crop harvesting was winding down in **Western Australia** and the southeast. In **South Africa**, showers maintained favorable conditions for vegetative summer crops. Significant rain greatly increased moisture reserves from the eastern **Mediterranean** through **Iran**. Heavy showers fell throughout Southeast Asia, aiding moisture supplies in **Java and Indonesia**, but slowing fieldwork in the **Philippines and Vietnam**. Across the **North China Plain**, colder weather caused winter wheat to enter dormancy. In central **Argentina**, dry weather stressed summer crops in the west, while elsewhere, showers slowed winter wheat maturation. In southern **Brazil**, widespread showers maintained adequate to abundant moisture supplies for soybeans.

Other News. IBP, Inc., the No. 1 U.S. beef processor, said it will hold talks with No. 1 U.S. chicken processor Tyson Foods, Inc. on Tyson's takeover bid for IBP. A **combined Tyson and IBP** would create a diversified meat processing powerhouse with more than \$21 billion in sales from beef, pork, and poultry. Importer's concerns over **StarLink contamination** of U.S. corn exports are a "significant" factor behind unusually low U.S. export sales, Tim Galvin, Administrator of USDA's Foreign Agriculture Service, said. **U.S. economic growth** slowed markedly in the second half of 2000. From a breakneck rate of 6 percent in the first half of 2000, the annual growth in Gross Domestic Product (GDP) is expected to end up at 5.2 percent. In 2001, GDP growth is expected to drop further, averaging 3 percent. Despite these trends, it is unlikely the U.S. economy will experience a recession.

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