

# 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.

**Cotton.** The 2000 cotton production was estimated at 17.2 million bales, down 1% from last month, but up 1% from 1999. The most significant production change was a decrease of 150,000 bales of upland cotton in Texas. Fields continue to be abandoned due to extremely dry weather throughout the growing season, coupled with poor harvest conditions in the fall. Projected exports are reduced 4% based on lower production and reduced prospects for imports by China and Turkey.

**Corn.** The 2000 corn for grain production is estimated at 9.97 billion bushels, up 6% from 1999, and is the second largest crop behind 1994's record production of 10.1 billion bushels. The U.S. grain yield of 137.1 bushels per acre is up 3.3 bushels from 1999 and is the second largest yield on record. Corn stocks in all positions on December 1, 2000 totaled 8.52 billion bushels, up 6% from December 1, 1999 and the highest level since 1987. 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 soybean crop in 2000 totaled 2.77 billion bushels, down slightly from the November 1 forecast, but 4% above 1999. The 2000 production is the highest on record followed by the 1998 crop of 2.74 billion bushels. The average yield per acre in 2000 is estimated at 38.1 bushels, 0.1 bushel above the November 1 forecast and is 1.5 bushels above the 1999 yield. Soybeans stored in all positions on December 1, 2000, totaled 2.24 billion bushels, up 3% from December 1, 1999. A market year average price between \$4.50 and \$5.00 a bushel is expected, compared to \$4.63 for the 1999 crop.

**Rice.** Rice production in 2000 totaled 191 million cwt., down 1% from the November 1 forecast and down 7% from 1999. The average yield per acre for all U.S. rice is estimated at 6,278 pounds per acre, 42 pounds above the November 1 forecast. This all rice yield is the highest on record. The previous record of 6,120 pounds per acre was set in 1996. A market year average price between \$5.50 and \$6.00 per cwt is expected, compared to \$6.11 for the 1999 crop.

**Wheat.** All Wheat production for 2000 is estimated at 2.22 billion bushels, down 1% from the level published in the "**Small Grains 2000 Summary**," and 3% below the 1999 level. A market year average price between \$2.55 and \$2.75 a bushel is expected, compared to \$2.48 for the 1999 crop.

**Other Crops.** **Grain Sorghum** production was estimated at 470 million bushels, 21% below the 1999 production. The **peanut crop** was estimated at 3.29 million pounds, down 14% from last year. **Sugarbeet** production was estimated at 32.5 million tons, 3% below last year. Production of **sugarcane** for sugar and seed production was a record 36.3 million tons, up 3% above the previous record set last year.

**Cattle.** January 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 11.8 million head, up 3% from a year earlier. December placements were up 3% from the previous year. Marketings of fed cattle were down 5% from 1999. At mid-January, prices for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$78 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$88 per cwt in mid-January, down \$2 from mid-December.

**Hogs.** During the first three weeks of January slaughter has been running about 5% below a year ago, lighter than expected due largely to weather disruptions. Prices at mid-January (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$37 per cwt, down \$6 from mid-December. First quarter prices are expected to average over \$40 per cwt.

**Other Livestock.** December **milk production** was virtually unchanged from the previous year. Production per cow decreased 1.0%; however, the number of cows was up 1.0%. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) were up the first week but down the second week of December. During November, total **cheese** production was 1.1% below the previous year, **butter** production was up 2.2% but **nonfat dry milk** production was down 1.8%. 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 83.1 cents per dozen, compared with 63.2 cents a year ago. First quarter 2001 egg prices are expected to average 69-71 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 January 13, 2001, were 286 million, 1% below a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2000 is expected to be 57.6 cents, unchanged from the fourth quarter of last year. First quarter 2001 broiler prices are expected to average 54-56 cents per pound, compared with the 54.6 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through December 2000 were 93.3 million, 2% above the same period a year ago. Placements in December 2000, at 23.2 million, were down 5% from last December. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2000 are expected to be 76.2 cents compared with 69.0 cents for the fourth quarter last year. Turkey prices for the first quarter of 2001 are expected to average 61-63 cents per pound, compared with the 62.9 cents average for the first quarter of 2000. **Supplies in refrigerated warehouses** at the end of December 2000 compared with a year earlier were: total chicken, up 1%; turkey, down 5%; pork, up 2%; pork bellies, up 18%; beef, up 21%; frozen orange juice, up 4%; butter, up 5%; and American cheese, up 11%.

**Trade.** January U.S. **trade projections** for broilers improved while 2000/2001 export prospects for corn and cotton declined compared with last month. Wheat, rice, soybeans, beef, pork, and turkeys were unchanged from December. January projections for the volume of exports for the 2000/2001 marketing year compared to 1999/2000 are: **wheat** up 3%; **corn** up 11%; **rice** down 10%; **soybeans** up slightly; **soybean meal** down 2%; **soybean oil** up 3%; and **cotton** up 8%. January projections for the volume of meat exports in calendar 2001 compared to 2000 are: **beef** up slightly; **pork** up 3%; **broilers** up slightly; and **turkeys** down 3%. The **U.S. trade** deficit for goods and services decreased to \$33.0 billion in November, from a revised \$33.7 billion in October. The **U.S. agricultural trade** surplus was \$1.513 billion in November, compared with \$1.771 billion in October.

**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, decreased 0.1% in December but has increased 3.4% over the last 12 months. The **PPI** was unchanged in December, but has increased 3.6% for the 12-month period ending in December. The December **prime rate**, averaging 9.50%, was unchanged since June and compares with 8.50% a year earlier. Compared to a year earlier, **feed** prices in December were up 5%; **feeder livestock and poultry** prices up 4%; **fertilizer** was up 14%; **ag chemicals** down 2%; **farm machinery** was unchanged; **seeds** up 2%; and **fuels** up 36%.

**World Weather and Crop Developments** (January 7-13). In the **United States**, the most significant precipitation of the season-to-date reached California, improving high-elevation snow packs and aiding rain-fed pastures and winter grains, but causing flash flooding. Meanwhile, two rounds of precipitation overspread the South, further easing long-term drought but leaving fields muddy. Showers largely bypassed drought-affected Peninsular Florida, maintaining heavy citrus and winter vegetable irrigation demands. Scattered frost was noted on Florida's peninsula through midweek, although temperatures remained well above those observed during the freezes on January 1 and 5. Farther north, mild weather returned to areas from the northern and central Plains to the western Corn Belt, boosting weekly temperatures 6 to 16°F above normal while a late-week storm produced rain and wet snow. Prior to the storm, temperatures rose above 60°F as far north as the central High Plains. Heavy rain also developed across southern and eastern Texas. In **Europe** and **Western FSU**, unseasonably mild weather continued to provide favorable overwintering conditions for winter grains and oilseeds. In **Northwestern Africa**, widespread, light to moderate showers improved growing conditions for winter grains. A heat wave in **South Africa's** corn belt stressed summer crops in or nearing reproduction. Scattered showers aided pastures and summer crops in **Australia's** states of Queensland and Western Australia. Unseasonable warmth in the **Middle East** helped to erode protective snow cover in winter wheat areas of Turkey and Iran. In **Java** and **Indonesia**, showers continued to provide adequate moisture for vegetative rice. Across the **North China Plain**, colder weather kept winter wheat dormant. Across central **Argentina** and southern **Brazil**, widespread showers benefitted vegetative to reproductive summer crops.

**Other News.** Farm scientists said **genetically modified** wheat, barley, and rice could be available commercially within the next three years, although the recent controversy surrounding **StarLink** bio-corn could hinder their arrival. The **Japanese** health ministry requests the United States to toughen inspections for GM StarLink corn in exports to Japan. European officials grappling with tough new measures to combat the spread of **mad cow disease** said they had unearthed more cases than expected, and in the meanwhile, market prices for beef have fallen by 26%, on average, since October. **China** is getting closer to entering the **World Trade Organization** (WTO) but is insisting it must have the right to boost agriculture subsidies in order to join WTO.

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