NASS Monthly Ag. Newsletter

NASS-NF45 *"The Factfinders for U.S. Agriculture"* April 2001

The NASS monthly newsletter is published by the U. S. Department of Agriculture, National Agricultural Statistics Service (NASS), 1400 Independence Avenue, S.W., Washington, D.C. 20250.

For your convenience, all NASS reports are available free of charge on the Internet: http://www.usda.gov/nass/ or via autofax by dialing 202-720-2000 from your fax machine.

For further information on these topics e:mail your inquiry to nass@nass.usda.gov. or call 800-727-9540.

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 76.7 million acres of corn for all purposes in 2001, down 4% from 2000. Corn stocks in all positions on March 1 totaled 6.04 billion bushels, 8% above a year earlier. Ending stocks on September 1, 2001 are expected to total 1.95 billion bushels, up 14% from last year. The projected market year price range for the 2000 corn crop is $1.80 to $1.90 per bushel.

Soybeans. U.S. soybean producers intend to plant 76.7 million acres in 2001, 3% above last year. If realized, this will be the largest planted area for soybeans on record. Soybeans stored in all positions on March 1 totaled 1.40 billion bushels, up 1% from the previous year. Ending stocks on September 1, 2001 are expected to total 300 million bushels, up 3% from last year. The market average price for the 2000 crop is projected between $4.45 and $4.55 per bushel.

Cotton. All cotton plantings for 2001 are expected to total 15.6 million acres, slightly above 2000. If realized, this would be the largest acreage since 1995 and the second largest since 1962. Upland acreage is expected to be up 29,000 acres from 2000, and American-Pima acreage is expected to increase 28% from last year.

Wheat. The 2001 all wheat planted area is expected to total 60.3 million acres. This is down 4% from 2000 and the lowest level since 1973. Durum wheat acres are expected to decrease 12% from last year. The 2001 other spring wheat planted acreage is estimated at 15.5 million acres, up 2% from last year. All wheat stocks on March 1 were estimated at 1.34 billion bushels, down 5% from a year ago. The market year price for the 2000 crop is expected to be between $2.60 and $2.70 per bushel.

Rice. Growers intend to plant 3.09 million acres, 1% above last year. The 2000/2001 market year average price is expected to average between $5.65 and $5.75 per cwt.

Grain Sorghum. Plantings are expected to total 9.37 million acres, up 2% from last year. **Barley** acreage intentions, at 5.32 million acres are down 9% from 2000. Producers expect to harvest 63.8 million acres of **hay** in 2001, 7% above the previous year. U.S. all **tobacco** for harvest in 2001 is forecast at 457,670 acres, down 6% from last year. If realized, this will be the lowest all tobacco acreage level since 1874.

Cattle. April 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 11.5 million head, up 3% from a year earlier. March placements were down 9% from the previous year. Marketings of fed cattle were down 6% from 2000. At mid-April, **prices** for choice steers (5 Area Direct Slaughter Cattle) averaged $78 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around $90 per cwt. in mid-April, up $2 from mid-March.

Hogs. During the first two weeks of April slaughter has been running about 2-3% above a year ago. Prices at mid-April (Iowa-Southern Minnesota direct, 230-250 pounds) were around $48 per cwt, up $1 from mid-March. Second quarter prices are expected to average around $47 per cwt.

Other Livestock. March **milk production** was down 2.2% from the previous year. Production per cow decreased 2.0% and the number of cows was down slightly. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first week of April. During February, total **cheese** production was 1.4% below the previous year, **butter** production was down 11.6% and **nonfat dry milk** production was down 14.2%. US table **egg production** during March 2001 totaled 6.22 billion, up 2% from March 2000. Wholesale market **egg prices** for the second quarter of 2001 (Grade A large, New York) are expected to average 75-76 cents per dozen, compared with 62.1 cents a year ago. Third quarter 2001 egg prices are expected to average 74-80 cents per dozen, compared with 67.1 cents a year earlier. **Broiler-** Type chicks hatched during March 2001 totaled 763 million, up 1% from last year. Cumulative Broiler-Type Placements in 15 selected states thru April 14, 2001, were 2.18 billion, slightly above a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2001 is expected to be 58-60 cents, compared with 55.7 cents from the second quarter of last year. Third quarter 2001 broiler prices are expected to average 58-62 cents per pound, compared with the 56.8 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through March 2001 were 169 million, 1% above the same period a year ago. Placements in March 2001, at 25.9 million, were up 1% from last March. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2001 are expected to be 65-67 cents compared with 69.0 cents for the second quarter last year. Turkey prices for the third quarter of 2001 are expected to average 67-71 cents per pound, compared with the 73.9 cents average for the second quarter of 2001. **Supplies in refrigerated warehouses** at the end of March 2001 compared with a year earlier were: total chicken, down 21%; turkey, down 10%; pork, down 18%; bellies, down 25%; beef, down 13%; frozen orange juice, down 6%, butter, down 20%; and American cheese, down 9%.

Trade. April U.S. **trade projections** for rice, soybeans, and beef improved while 2000/2001 export prospects for corn declined, compared with last month. Wheat, cotton, pork, broilers, and turkeys were unchanged from March. April projections for the volume of exports for the 2000/2001 marketing year compared to 1999/2000 are: **wheat** up 1%; **corn** up 1%; **rice** down 5%; **soybeans** up 2%; **soybean meal** down 8%; **soybean oil** up 3%; and **cotton** up 2%. April projections for the volume of meat exports in calendar 2001 compared to 2000 are: **beef** up 2%; **pork** up 3%; **broilers** up 3%; and **turkeys** up slightly. The **U.S. trade** deficit for goods and services decreased to $27.0 billion in February, from a revised $33.3 billion in January. The **U.S. agricultural trade** surplus was $1,474 million in February, compared with $966 million in January.

Prices. The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.2% in March and has increased 2.9% over the last 12 months. The **PPI** decreased 0.1% in March, and has increased 3.1% for the 12-month period ending in March. The March **prime rate**, averaging 8.32%, was down from 8.50 in February. Compared to a year earlier, **feed** prices in March were unchanged, **feeder livestock and poultry** prices were down 1%; **fertilizer** was up 36%; **ag chemicals** up 6%; **farm machinery** was down 1%; **seeds** up 2%; and **fuels** up 4%.

World Weather and Crop Developments (March 8-15). In the **United States**, above-normal temperatures stimulated growth of winter grains in most areas east of the Rocky Mountains, while cooler-than-normal temperatures limited crop development along the Pacific Coast and on the northern High Plains. A winter storm that produced cold weather and serveral inches of snow briefly halted winter wheat growth in the central Great Plains. Dry weather reduced moisture surpluses in the southern Great Plains. Heavy rainfall produced localized flooding and limited fieldwork in the northern Great Plains and Corn Belt. Warm, dry weather accelerated crop development and fieldwork in the Southeast and along the Atlantic Coastal Plains. Above-normal temperatures spurred rapid greening of winter grains in parts of northern **Russia**, while several days of dry weather favored spring grain planting in **Ukraine** and southern Russia. In the **Middle East** much-needed rain covered western Turkey, but unfavorable dryness and warmth persisted across Iran. Showers maintained excessively wet topsoils in northwestern **Europe** and boosted moisture supplies in southeastern Europe. Across the North **China** Plain, scattered light rain brought some relief from dryness, but supplemental irrigation for winter wheat was still needed, especially Shandong. Dry weather favored summer crop drydown and harvesting in Australia. Heavy showers continued to delay rice harvesting in Java, **Indonesia**. Lingering showers increased moisture for late-developing summer crops and upcoming winter wheat germination in **South Africa**. In central **Argentina**, dry weather greatly favored summer crop harvesting until heavy weekend rain arrived, while in southern **Brazil**, early-week showers slowed soybean harvesting. In Northwestern Africa drought conditions continued to stress filling winter grains, while in Tunisia, light rains helped stabilize crop conditions.

Other News. **Planting intentions in 2001** for the eight major U.S. field crops (corn, soybeans, wheat, barley, sorghum, oats, cotton, and rice) total 251.5 million acres, down 1.2% from last year's planted area and 3.2% from the most recent peak in 1996. **Recent shifts in trade patterns** reveal dramatic changes in global food demand that will likely continue well into the future. Bulk commodities (primarily grains and oilseeds) now make up less than 30% of the value of world agricultural trade, compared with 41% in 1985, and processed consumer-oriented products such as meat, beverages, bakery products, and snack foods make up a growing share. **Cold and wet winter weather conditions** have limited cattle weight gain in feedlots since late November, resulting in lower marketing weights, delayed marketings, and a very tight supply of market-ready animals. With buyer demand strong, competition for the reduced supply of beef, particularly higher quality beef, has pressed retail prices toward record levels of the early 1990s. **Initiating a program to provide agri-environmental payments** to producers could help maintain past agri-environmental gains, address emerging environmental problems, and reward high levels of environmental performance on agricultural land or improvement over past performance. **What motivates U.S. farmers** to adopt environmentally beneficial production practices? Regional resources prove to be a frequent factor in decisions to adopt certain practices confirming that site-specific information on resources is vital in explaining the success or failure of conservation efforts and programs. **The 1995 repeal** of Canada's Western Grain Transportation Act (WGTA) ended government support that had lowered producers's cost of transporting grain to export ports from the Prairie Provinces. Subsidized freight rates had helped encourage grain exports and diverted grains away from domestic enterprises.

\- - - - - - - - - -

To order printed copies of NASS reports, call the toll-free sales order desk direct at 1-800-999-6779. For further information on NASS programs, products, and services call toll-free 1-800-727-9540. The next newsletter will be issued on May 23, 2001.