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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 2001 cotton production is estimated at 20.1 million bales, up 20,000 bales from last month and up 17% from 2000. A 50,000 bale increase in American-Pima cotton more than offset a 30,000 bale decrease in upland cotton. The increase to American-Pima production was the result of an increase in California acreage. The World Agricultural Outlook Board (WAOB) ending stocks are projected at 8.60 million bales, up 200,000 bales from last month.

Corn: The 2001 corn production is estimated at 9.51 billion bushels, down 4% from last year. This is the fourth largest crop behind 1994's record production of 10.1 billion bushels. The U.S. grain yield of 138.2 bushels per acre, the second highest yield on record, is up 0.2 bushel from November and 1.3 bushels from 2000. Corn stocks in all positions on December 1, 2001, totaled 8.26 billion bushels, down 3% from December 1, 2000. A market year average price between \$1.85 and \$2.15 per bushel is expected, compared to \$1.85 for the 2000 crop.

Soybean: The 2001 soybean crop is estimated at 2.89 billion bushels, down 1% from the November 1 forecast but 5% above 2000. The 2001 production is the highest on record, followed by the 2000 crop of 2.76 billion bushels. The average yield per acre in 2001 is estimated at 39.6 bushels, 0.2 bushel above the November 1 forecast and 1.5 bushels above the 2000 yield. Soybeans stored in all positions on December 1, 2001, totaled 2.28 billion bushels, up 2% from December 1, 2000. A market year average price is projected between \$3.90 and \$4.70 per bushel, compared with \$4.54 for the 2000 crop year.

Wheat: All wheat production for 2001 is estimated at 1.96 billion bushels, unchanged from the "Small Grain 2001 Summary" but down 12% from 2000. This is the lowest production since 1988. A market year average price is projected to average between \$2.75 and \$2.85 per bushel compared to \$2.62 for the 2000 crop.

Rice: U.S. rice production is forecast at a record high 213 million cwt., 2% above the November 1 forecast and up 12% from 2000. The average yield per acre is estimated at 6,429 pounds per acre, 55 pounds above the November 1 forecast and the highest on record. A market year average price is projected to average between \$4.10 and \$4.40 per cwt. compared to \$5.56 per cwt. for the 2000 crop.

Other Crops: **Grain Sorghum** production is estimated at 515 million bushels, 9% above 2000. The **peanut** crop is estimated at 4.24 billion pounds, up 30% from last year. **Sugarbeet** production is estimated at 25.8 million tons, 21% below last year. Production of **sugarcane** for sugar and seed totaled 34.8 million tons, 4% below last year's record high of 36.1 million tons.

Cattle. Mid-January **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged slightly over \$66 per cwt. Feeder steer prices (Oklahoma City, medium-large frame 750-800 pounds) were roughly \$81 per cwt. during the same time period, down \$2 from mid-December.

Hogs. During the first two weeks of January, **slaughter** has been running roughly 99% of a year ago. Cash **prices** at mid-January (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$37 per cwt. U.S. **inventory** of all hogs and pigs on December 2001 was 58.8 million head, 1% below December 2000 and slightly below September 2001. **Breeding inventory**, at 6.21 million head, was down 1% from December 2000 but 1% above last quarter. **Market hog inventory**, at 52.6 million head, was 1% below both last year and last quarter.

Other Livestock. December **milk production** was up 1% from the previous year. Production per cow increased 1.8%, but the number of cows decreased 1.0% from a year ago. The **cheddar cheese prices** (U.S. 40 pound blocks, wholesale) were down the first two weeks of January. Total **cheese** production reported for the month of November was .8% above the previous year. **Butter** production during this

same time period was 1.4% below November a year ago, while **nonfat** dry milk production was up 5.9%. US table **egg production** during November 2001 totaled 6.14 billion, up 2% from November 2000. Wholesale market **egg prices** for the first quarter of 2002 (Grade A large, New York) are expected to average 67-69 cents per dozen, compared with 75.8 cents a year ago. Second quarter 2002 egg prices are expected to average 56-60 cents per dozen, compared with 63.3 cents a year earlier. **Broiler**-Type chicks hatched during November 2001 totaled 696 million, up 3% from last year. Cumulative Broiler-Type Placements in 15 selected states thru January 12, 2002, were 297 million, 4% above a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter of 2002 is expected to be 56-58 cents, compared with 57.8 cents from the first quarter of last year. Second quarter 2002 broiler prices are expected to average 57-61 cents per pound, compared with the 59.2 cents for a year earlier. Cumulative **turkey poult placements** for the 2002 marketing year through December 2001 were 95.9 million, 3% above the same period a year ago. Placements in December 2001 at 24.9 million, were up 7% from last December. Prices (8-16 lb. hens, Eastern Region) for the first quarter of 2002 are expected to be 60-62 cents compared with 61.7 cents for the first quarter last year. Turkey prices for the second quarter of 2002 are expected to average 63-67 cents per pound, compared with the 65.0 cents average for the second quarter of 2001. **Supplies in refrigerated warehouses** at the end of December 2001 compared with a year earlier were: total chicken, down 11%; turkey, up 4%; pork, up 12%; bellies, down 6%; beef, up 15%; frozen orange juice, up 13%, butter, up 118%; and American cheese, down 15%.

Trade. January U.S. **trade projections** for rice, soybeans, and pork improved while 2000/2001 export prospects for corn declined, compared with last month. Wheat, cotton, beef, broilers, 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** down 6%; **corn** up 2%; **rice** up 4%; **soybeans** up 1%; **soybean meal** up 3%; **soybean oil** up 77%; and **cotton** up 45%. January projections for the volume of meat exports in calendar year 2001 compared to 2000 are: **beef** down 2%; **pork** down 6%; **broilers** up 4%; and **turkeys** up slightly. The **U.S. trade** deficit for goods and services decreased to \$27.9 billion in November, from a revised \$29.3 billion in October. The **U.S. agricultural trade** surplus was \$1.90 billion in November, compared with \$1.74 billion in October.

Prices. The rate of **inflation**, as monitored by the CPI for all urban consumers, decreased 0.4% in December but has increased 1.6% over the last 12 months. The **PPI** decreased 0.7% in December, and has decreased 1.8% for the 12-month period ending in December. The December **prime rate**, averaging 4.84%, was down from 5.10% in November. Compared to a year earlier, **feed** prices in December were unchanged, **feeder livestock and poultry** down 4%; **fertilizer** down 12%; **ag chemicals** up 5%; **farm machinery** prices were unchanged; **seeds** up 7% and **fuels** down 35%.

World Weather and Crop Developments (January 7-13). In the **United States** temperatures averaged above normal across most of the Nation during the week, especially from the Great Lakes to the northern High Plains. The warm weather stimulated growth of winter grains and forages in the southern Great Plains and supported development of winter crops in California. Winter wheat remained dormant in the northern Great Plains, despite record warmth across the region. With average daily temperatures hovering above freezing, frost depths diminished in some areas and were completely eliminated in others. Consequently, heaving and winterkill were virtually non-existent, although fields were exposed and vulnerable to an outbreak of bitter cold. An early-week cold front held average temperatures below normal along the eastern Gulf Coast, despite a rapid rebound in temperatures. Florida's citrus belt experienced subfreezing temperatures on the morning of January 9, but the duration was not long enough to damage citrus trees. Some minor icing of fruit was found, but most of the fruit in the affected areas was already harvested or scheduled for harvest very soon. The freezing temperatures caused little damage to tree foliage, although in the coldest locations, some outside leaves were burned and will fall off. The cold weather provided beneficial chill hours for fruit trees throughout the Southeast. In **FSU-Western** a warming trend late in the week followed the coldest weather so far this winter in southern areas, improving overwintering conditions for winter grains. Dry weather brought much-needed relief from flooding in western **Turkey**. Milder weather overspread much of **Europe**, improving overwintering conditions for dormant winter crops. Across the **North China Plain**, unseasonably warmer weather caused winter wheat to lose some winter hardiness, increasing the potential for winterkill. Showers boosted moisture reserves for summer crop development in **Australia**. Wetness eased in the **southern Philippines** as showers moved eastward, while showers continued to favor rice in **Java, Indonesia**. In **Rio Grande do Sul, Brazil**, mostly dry weather continued to reduce soil moisture and started to stress soybeans and corn. In **central Argentina**, continued rain is needed due to recent dry weather. Warm, showery weather benefitted vegetative corn and other summer crops in **South Africa**. Dry weather continued throughout the region, further reducing moisture reserves for vegetative winter grains in **Northwestern Africa**.

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