

# 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.

**Corn:** U.S. corn ending stocks are forecast by the World Agricultural Outlook Board (WAOB) at 1.60 billion bushels for the 2001/02 marketing year compared to 1.90 billion bushels at the end of the 2000/01 season. Projected U.S. corn exports are down 50 million bushels from the previous forecast because of lagging sales and shipments to date and China's recent cancellation of most of its purchases of U.S. corn made last fall. The market year average price is expected to be between \$1.85 and \$2.05 per bushel. As of March 19, the Farm Service Agency has paid corn growers loan deficiency payments on 6.95 billion bushels of corn, totaling \$1.05 billion in payments and averaging \$0.15 per bushel.

**Soybeans:** U.S. soybean ending stocks are forecast at 265 million bushels by the WAOB, down 5 million bushels from the previous forecast. U.S. soybean crush prospects were increased 5 million bushels this month, despite an unchanged forecast of soybean meal production, because of a lower soybean meal extraction rate. The market year average price is projected between \$4.05 and \$4.45 per bushel. Through March 19, growers have received loan deficiency payments on 2.51 billion bushels of soybeans, receiving just over \$3.10 billion in payments averaging \$1.23 per bushel.

**Oranges:** As of March 1, U.S. orange production for the 2001/02 season was 12.4 million tons, unchanged from last month's forecast but up fractionally from last season's final utilization. Florida's all orange forecast was 228 million boxes (10.3 million tons), the same as last month but 2% more than the 223 million boxes (10.0 million tons) utilized last year. Early and midseason varieties in Florida are forecast at 128 million boxes (5.76 million tons), unchanged from both a month ago and last season. Florida's Valencia forecast of 100 million boxes (4.50 million tons) remains unchanged but is 5% higher than last season's final utilization.

**Grapefruit:** The March 1 forecast of the 2001/02 grapefruit crop for the United States remains unchanged at 2.51 million tons, representing a 1% increase from last season. The Florida all grapefruit forecast continues at 47.0 million boxes (2.00 million tons) but is 2% above the previous season.

**Cattle.** Mid-March **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged slightly over \$74 per cwt, up \$2 from mid-February. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were \$80 per cwt, down \$3 from a month ago.

**Hogs.** During the first two weeks of March, **slaughter** has been running roughly 100% of a year ago. Cash **prices** at mid-March (Iowa-Southern Minnesota direct, 230-250 pounds) were slightly over \$35 per cwt, down nearly \$3 from mid-February. First quarter prices are expected to average \$41 per cwt.

**Other Livestock.** February **milk production** was up 2.8% from the previous year. Production per cow increased 3.0%, but the number of cows decreased .2% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of March. Total **cheese** production reported for the month of January, 2002 was 1.3% above the previous year. **Butter** production during this same time period was 10.4% above the previous January. **Nonfat** dry milk production was up 1.3% from the previous year. US table **egg production** during February 2002 totaled 5.70 billion, up 3% from February 2001. Wholesale market **egg prices** for the first quarter of 2002 (Grade A large, New York) are expected to average 67-68 cents per dozen, compared with 75.8 cents a year ago. Second quarter egg prices are expected to average 57-59 cents per dozen, compared with 63.3 cents a year earlier. **Broiler**-type chicks hatched during February 2002 totaled 703 million, up 5% from last year. Cumulative Broiler-type Placements in 15 selected states thru March 16, 2002, were 1.64 million, 4% above a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter of is expected to be 56-57 cents, compared with 57.8 cents from the first quarter of last year. Second quarter 2002 broiler prices are expected to average 58-60 cents per pound, compared with the 59.2 cents for a year earlier. Cumulative **turkey poult placements** for the 2002 marketing year through February 2002 were 146 million, 2% above the same period a year ago. Placements in February 2002, at 24.3 million, were up

2% from last February. Prices (8-16 lb. hens, Eastern Region) for the first quarter of 2002 are expected to be 60-61 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 February compared with a year earlier were: total chicken, up 6%; turkey, up 21%; pork, up 8%; bellies, up 21%; beef, up 19%; frozen orange juice, down 3%, butter, up 53%; and American cheese, down 6%.

**Trade.** March U.S. **trade projections** for cotton improved while 2001/2002 export prospects for wheat and corn declined, compared with last month. Rice, soybeans, beef, pork, broilers, and turkeys were unchanged from February. March projections for the volume of exports for the 2001/2002 marketing year compared to 2000/2001 are: **wheat** down 8%; **corn** down 1%; **rice** up 1%; **soybeans** up 2%; **soybean meal** up 3%; **soybean oil** up 63%; and **cotton** up 52%. March projections for the volume of meat exports in calendar 2002 compared to 2001 are: **beef** down 4%; **pork** down 5%; **broilers** up 3%; and **turkeys** up 2%. The **U.S. trade** deficit for goods and services increased to \$28.5 billion in January, from a revised \$24.7 billion in December. The **U.S. agricultural trade** surplus was \$1.3 billion in January, compared with \$1.5 billion in December.

**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.4% in February and has increased 1.1% over the last 12 months. The **PPI** increased 0.2% in February and has decreased 2.6% over the last 12 months. The February **prime rate**, averaging 4.75%, was unchanged from January. Compared to a year earlier, **feed** prices in February were down 2%, **feeder livestock and poultry** up 2%; **fertilizer** down 24%; **ag chemicals** up 1%; **farm machinery** prices down 1%; **seeds** up 7% and **fuels** down 39%.

**World Weather and Crop Developments** (March 10-17). In the **United States**, widespread, light rainfall briefly delayed field preparations along the Gulf Coast and Atlantic Coastal Plain but provided much-needed topsoil moisture for winter grains and forages. However, subsoil moisture reserves remained very short. In Texas, corn and sorghum planting was scattered and slow, but remained ahead of normal. Corn emergence lagged behind normal due to topsoil moisture shortages. Dry soils stressed winter wheat throughout the Great Plains, but moisture supplies were adequate for the soft red winter wheat in the Corn Belt. Cold and windy weather provided harsh conditions for winter wheat fields across the northern Great Plains. One percent of the Texas wheat crop was headed, compared with the average of 2 percent. In California, below-normal temperatures limited crop development. Rain briefly delayed field and orchard work in scattered areas of California's valleys. Continued unusually mild weather prompted further greening of winter grains in **Ukraine** and southern **Russia** and helped raise soil temperatures to favorable levels for early spring grain planting. Widespread rain in **Spain** benefited vegetative winter grains and boosted reservoir levels for summer crop development. Showers continued to provide moisture to heading winter grains in **Morocco**. In **Australia** warmth and dryness spurred sorghum harvesting and favored late cotton development. Scattered showers and seasonable warmth in South Africa aided late summer crop development across the corn belt. Warm, showery weather benefited vegetative to reproductive winter wheat in the Middle East. Showers slowed harvest activities in Java, **Indonesia**, while drier weather favored harvesting in the **Philippines** and **Vietnam**. Dry weather returned to the North **China** Plain, necessitating supplemental irrigation for vegetative winter wheat. Widespread rain eased dryness across central **Argentina**, benefiting immature summer crops but slowing early harvesting. In southern **Brazil**, mostly dry weather continued to favor soybean harvesting, but heavy rain alleviated dryness in Rio Grande do Sul.

**Other News: In USDA's new longrun, 10-year baseline projections**, a recovery in global economic growth following the slowdown of 2001-02 leads to stronger U.S. exports, gains in agricultural commodity prices, and rising farm incomes over the next decade. **Imports increase as share of U.S. food consumption.** In the second half of the 1990s, Americans increased the proportion of imported foods they consumed. The rise is attributed partly to greater demand for high-value agricultural products that other countries offer, and partly to the higher exchange rate of the U.S. dollar, which increases the purchasing power of the dollar. In the last 2 years, **catfish imports have increased dramatically**, in contrast to the 1990s when U.S. catfish production was a domestically focused industry, with only small amounts of imports and exports. This rise in imports, combined with relatively flat per capita seafood consumption and increased inventories of catfish products, has put downward pressure on domestic catfish prices. **China's accession to the World Trade Organization (WTO)** and further integration into the world economy is expected to lead to a wealthier and more stable international food system. Under the terms of accession, China's agricultural trade regime will be more open and responsive to international markets. WTO accession is the latest initiative in a process of liberalization in China's economy that will also benefit U.S. agricultural exports.

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