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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.

Wheat. The U.S. winter wheat production is forecast at 1.18 billion bushels. This is down 5 % from last month's forecast and down 13 % from 2001. The U.S. yield is forecast at 39.6 bushels per acre, down 1.4 bushels from last month. The World Agricultural Outlook Board (WAOB) projected 2002/03 all wheat ending stocks at 520 million bushels, down 35 million bushels from last month. Lower production more than offset reduced domestic use and higher reported carryin stocks. Projected feed and residual use was reduced 25 million bushels from last month due to tighter wheat supplies and higher wheat prices relative to feed grains. The projected price range for 2002/03 is \$2.75 to \$3.35 per bushel.

Corn. The U.S. 2002 corn crop is projected at 9.79 billion bushels by the WAOB, up 140 million bushels from last month. The trend yield is unchanged from June, at 135.8 bushels per acre. Projected 2002/03 ending stocks are up 165 million bushels from last month because of larger production and smaller exports. Projected exports are down 25 million bushels due to an expected increase in competition. Plantings for 2002 are estimated at 78.9 million acres, up 4 % from last year and harvested acreage is estimated at 72.1 million acres. The projected price range for the 2002 corn crop is \$1.80 to \$2.20 per bushel.

Soybeans. Soybean production for 2002 is projected by the WAOB at a record 2.86 billion bushels, 10 million bushels below last month. The projected trend yield is unchanged from last month, at 39.7 bushels per acre. Ending stocks for the 2002/03 season are projected at 230 million bushels, down 35 million bushels from last month. Reduced U.S. production and carry in-stocks and slightly higher projected crush this month more than offset reduced export prospects. Planted area is estimated at 73.0 million acres, down 2 % from last year, and harvested acreage is estimated at 72.0 million acres. Soybean prices for 2002/03 are projected at \$4.15 to \$5.05 per bushel, compared to \$4.30 per bushel for the 2001/02 crop.

Cotton. The U.S. cotton outlook for 2002/03 includes slight decreases in production, exports, and ending stocks. The WAOB projected production at 17.5 million bales, down 300,000 bales from last month. This incorporates the lower planted area reported in the June 28 *Acreage* report, partially offset by a reduction in projected abandonment. A reduction in the export projection reflects lower U.S. supplies combined with increased competition from China. Ending stocks are reduced marginally to 6.6 million bales.

Cattle. Mid-July **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$62 per cwt, down \$2 from mid-June. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were slightly over \$78 per cwt, up \$1 from a month ago. The July 1 cattle inventory totaled 105.2 million head, down 1 % from both 2001 and 2000.

Hogs. During the first two weeks of July, hog **slaughter** has been running roughly 102% of a year ago. Cash **prices** at mid-July (Iowa-Southern Minnesota direct, 51-52 % lean) were over \$39 per cwt, up \$4 from mid-June. Third quarter prices are expected to average \$36 per cwt.

Other Livestock. June **milk production** was up 2.0% from the previous year. Production per cow increased 1.5%, while the number of cows increased 0.3% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of July. Total **cheese** production reported for the month of May, 2002 was 2.4% above the previous year. **Butter** production during this same time period was 14.0% above the previous May. **Nonfat dry milk** production was up 12.6% from

the previous year. US table **egg production** during June 2002 totaled 6.03 billion, up 2 % from June 2001. Wholesale market **egg prices** for the third quarter of 2002 (Grade A large, New York) are expected to average 59-61 cents per dozen, compared with 61.4 cents a year ago. Fourth quarter 2002 egg prices are expected to average 70-76 cents per dozen, compared with 68.2 cents a year earlier. **Broiler**-Type chicks hatched during June 2002 totaled 776 million, up 1 % from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending July 15, 2002, were 168 million, 2 % above a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2002 is expected to be 57-59 cents, compared with 61.1 cents from the third quarter of last year. Fourth quarter 2002 broiler prices are expected to average 55-59 cents per pound, compared with the 58.5 cents for a year earlier. Cumulative **turkey poult placements** for the 2002 marketing year through June 2002 were 247 million, down slightly from the same period a year ago. Placements in June 2002, at 24.4 million, were down 7 % from last June. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2002 are expected to be 66-68 cents compared with 67.1 cents for the third quarter last year. Turkey prices for the fourth quarter of 2002 are expected to average 71-77 cents per pound, compared with the 71.4 cents average for the fourth quarter of 2001. **Supplies in refrigerated warehouses** at the end of June 2002 compared with a year earlier were: total chicken, up 24 %; turkey, up 29; pork, up 31; bellies, up 28; beef, up 16; frozen orange juice, down 5, butter, up 59; and American cheese, up 3.

Trade. July U.S. **trade projections** for 2002/2003 export prospects for corn, soybeans, and cotton declined, compared with last month. Wheat, rice, beef, pork, broilers, and turkeys were unchanged from June. July projections for the volume of exports for the 2002/2003 marketing year compared to 2001/2002 are: **wheat** down 6%; **corn** up 6%; **rice** down 6%; **soybeans** down 9%; **soybean meal** down 4%; **soybean oil** down 6%; and **cotton** down 2%. July projections for the volume of meat exports in calendar 2003 compared to 2002 are: **beef** up 5%; **pork** up 5%; **broilers** up 13%; and **turkeys** up slightly. The **U.S. trade** deficit for goods and services increased to \$37.6 billion in May, from a revised \$36.1 billion in April. The **U.S. agricultural trade** surplus was \$483 million in May, compared with \$309 million in April.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.1% in June and has increased 1.1% over the last 12 months. The **PPI** increased 0.1% in June and has decreased 2.1% over the last 12 months. The June **prime rate**, averaging 4.75%, has been unchanged since January. Compared to a year earlier, **feed** prices in June were up 1%; **feeder livestock and poultry** down 16%; **fertilizer** down 11%; **ag chemicals** down 2%, **farm machinery** prices increased 2%, **seeds** up 7% and **fuels** down 17%.

World Weather and Crop Developments (July7-13). In the **United States**, hot, dry weather aided winter wheat harvest, but most row crops and small grains suffered due to moisture shortages in the Great Plains. In the **Corn Belt**, seasonal temperatures eased stress on many corn and soybean fields, and conditions improved where ground-soaking rains boosted moisture reserves. Many areas of the **Southeast** and **lower Mississippi Valley** also received beneficial rainfall. However, rainfall was uneven in all regions, and crops deteriorated where moisture shortages continued. The hottest weather thus far this summer prevailed over **Ukraine** and most of **Russia**, hastening maturity in spring grains and increasing stress on corn and sunflowers in or nearing the reproductive stage of development. Cool, wet weather prevailed across most spring wheat producing areas in **Russia** and **Kazakstan**, maintaining adequate to excessive moisture levels for reproductive to filing crops. In **southeastern Europe**, showers brought some relief to reproductive summer crops, but more rain was needed due to hot weather. Continued rainy, cool weather slowed winter grain maturation and raised disease concerns in **northwestern Europe**. Warm, dry weather continued over most of **India**, promoting planting. Drier weather dominated **China** as tropical storm activity inundated **Japan**. Heavy rains in **Luzon, Philippines**, caused widespread flooding, possibly damaging rice and corn. Widespread showers helped winter grain development in **Western Australia** and **South Australia**, while dry weather helped to intensify drought in eastern Australia. Showers **Canada** brought only temporary relief to reproductive spring grains and oilseeds in the western Prairies, with stressful heat returning by week's end. A tropical wave in **Mexico** brought much needed moisture to the Rio Grande watershed, while widespread showers continued to favor vegetative corn across the Southern Plateau. In **Southern Brazil**, frosty weather raised some concern for reproductive winter wheat and unharvested coffee, while in Argentina, cool, dry weather supported winter wheat planting.

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