

# 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.

**Wheat.** All wheat production is forecast at 2.29 billion bushels, down 1% from the July forecast but up 42% from last year. Based on conditions as of August 1, the U.S. yield is forecast at 43.5 bushels per acre, down 0.4 bushels from July. The World Agricultural Outlook Board (WAOB) projected 2003/04 U.S. ending stocks are down 94 million bushels from July due to lower production and increased use. The projected price range for 2003/04 is \$3.10 to \$3.70 per bushel compared to \$3.56 for the 2002/03 crop.

**Corn.** The August forecast for 2003 corn production is 10.1 billion bushels, up 12% from last year. U.S. yields are expected to average 139.9 bushels per acre, up 9.9 bushels from a year ago. A market year average price between \$2.00 and \$2.40 per bushel is expected compared to \$2.30 for the 2002/03 crop. WAOB projected global production for the 2003/04 crop year is expected to be up 2% from the 2002/03 crop year, but global ending stocks are expected to be down 20%.

**Soybeans.** The 2003 soybean crop is forecast at 2.86 billion bushels, up 5% from last year. Based on August 1 conditions, yields are expected to average 39.4 bushels per acre, up 1.6 bushels from 2002. A market year average price is projected between \$4.55 and \$5.55 per bushel compared to \$5.50 for the 2002/03 crop year. Global production for the 2003/04 crop year is projected by WAOB to be up 6% from last year and global ending stocks are expected to be up 10%.

**Cotton.** The U.S. cotton production is forecast at 17.1 million 480-pound bales, down 1% from last year's production. The yield is expected to average 667 pounds per acre, up 2 pounds from the previous year. Compared to last month, the 2003/04 U.S. cotton situation reflects higher production and lower domestic mill use, resulting in higher ending stocks.

**Rice.** U.S. rice production is forecast at 195 million cwt, down 8% from 2002. Based on August 1 conditions, yields are forecast at 6,577 pounds per acre, down 1 pound from the record high in 2002. Harvest is underway in Louisiana and Texas. The market year average price is expected to average between \$6.50 and \$7.00 per cwt compared to \$4.20 for the 2002/03 crop.

**Other Crops.** The U.S. August **Durum wheat** forecast, at 87.4 million bushels, is down 7% from last month, but 10% above last year. The August **Other Spring wheat** production is forecast at 492 million bushels, down 2% from a month ago but 25% above a year ago. **Grain Sorghum** is forecast at 448 million bushels, up 21% from 2002. **Barley** production is forecast at 281 million bushels, down 3% from July but up 24% from 2002. **Oat** production is forecast at 151 million bushels, up 2% from July and up 27% from 2002. The **peanut crop** is expected to be up 19% from last year; **dry edible bean** production down 19%; **tobacco** production down 5%; **alfalfa hay** production up 6% from 2002; and **other hay** production up 6%.

**Cattle.** Mid-August **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$80 per cwt, up \$6 from mid-July. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were \$91 per cwt, up \$3 from a month ago.

**Hogs.** During the first two weeks of August, hog **slaughter** has been running 2.0% above a year ago. Cash **prices** at mid-August (Iowa-Southern Minnesota direct, 51-52% lean) were \$42 per cwt, down \$1 from mid-July. Third quarter prices are expected to average \$42 per cwt.

**Other Livestock.** July **milk production** was up 0.6% from the previous year. Production per cow was up 0.7% from last year, and the number of cows decreased 0.2% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of August. Total **cheese** production

reported for the month of June, 2003 was 0.8% above the previous year. **Butter** production during this same time period was 6.2% below the previous June. **Nonfat** dry milk production was down 14.1% from the previous year. US table **egg production** during July 2003 totaled 6.26 billion, up slightly from July 2002. Wholesale market **egg prices** for the third quarter of 2003 (Grade A large, New York) are expected to average 76-78 cents per dozen, compared with 65.3 cents a year ago. Fourth quarter 2003 egg prices are expected to average 78-82 cents per dozen, compared with 75.5 cents a year earlier. **Broiler**-Type chicks hatched during July 2003 totaled 777 million, down 1% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending Aug 16, 2003, were 169 million, up 1% from a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2003 is expected to be 61-63 cents, compared with 56.4 cents from the third quarter of last year. Fourth quarter 2003 broiler prices are expected to average 58-62 cents per pound, compared with the 53.7 cents for a year earlier. Turkey Poults Placements in July 2003, at 25.2 million, were down 2% from last July. Cumulative placement for the 2003 marketing year are 269 million poults, down 1% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2003 are expected to be 62-64 cents compared with 66.7 cents for the third quarter last year. Turkey prices for the fourth quarter of 2003 are expected to average 66-70 cents per pound, compared with the 68.2 cents average for the fourth quarter of 2002. **Supplies in refrigerated warehouses** at the end of July 2003 compared with a year earlier were: total chicken, down 26%; turkey, up 5%; pork, down 10%; bellies, up 8%; beef, down 11%; frozen orange juice, down 1%; butter, up 12% and American cheese, down 4%.

**Trade.** August U.S. **trade projections** for wheat and soybeans improved while 2003/2004 export prospects for corn declined, compared with last month. Rice, cotton, beef, pork, broilers, and turkeys were unchanged from July. August projections for the volume of exports for the 2003/2004 marketing year compared to 2002/2003 are: **wheat** up 23%; **corn** up 13%; **rice** down 27%; **soybeans** down 4%; **soybean meal** up 1%; **soybean oil** down 51%; and **cotton** down 1%. August projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 2%; **pork** up 2%; **broilers** up 7%; and **turkeys** up 4%. The **U.S. trade** deficit for goods and services decreased to \$39.5 billion in June, from a revised \$41.5 billion in May. The **U.S. agricultural trade** surplus was \$662 million in June, compared with \$353 million in May.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.1% in July and has increased 2.1% over the last 12 months. The **PPI** increased 0.1% in July and has increased 3% over the last 12 months. The July **prime rate**, averaging 4.00%, was down from 4.22% in June. Compared to a year earlier, **feed** prices in July were down 1%; **feeder livestock and poultry** were up 10%; **fertilizer** up 13%; **ag chemicals** down 1%, **farm machinery** up 1%, **seeds** up 9% and **fuels** up 23%.

**World Weather and Crop Developments** (August 10-17). In the **United States** hot, dry weather continued in the Pacific Northwest, California, and the Rocky Mountains, aiding small grain harvest activities but stressing immature summer crops and irrigation reserves. Locally heavy rainfall in parts of the Southwest was not enough to alleviate widespread drought effects. The Great Plains also remained hot and dry, stressing crops and taxing irrigation systems. Most of the Corn Belt was dry and had above-normal temperatures, aiding the harvest of small grains, but stressing other crops. Moderate to heavy rainfall continued throughout the Southeast, with cooler-than-normal temperatures prevailing throughout the region. In the Ohio Valley, light rain and above-normal temperatures improved crop conditions without hindering small grain harvest activities. Heavy rainfall throughout the Atlantic Coast States slowed crop progress, but improved conditions slightly. Scattered showers and cool weather favored summer crop development in **Ukraine**, while wet weather halted small grain harvesting in **Russia**. The warmest weather this summer prevailed over spring grain areas in **Kazakhstan** and the Urals Region in Russia, accelerating crop development. Across western **Europe**, although cooler weather ended 2-week long heat wave, drought continued to adversely affect crops across the region. In **Australia** widespread rain brought much-needed drought relief to winter grains in New South Wales, while more rain is still needed farther north to improve moisture supplies and reservoir levels. The monsoon waned within the major oilseed-producing areas of **India** after several weeks of heavy rainfall. Heavy showers boosted moisture supplies for rice throughout **Indochina** and the **Philippines**. Showers brought limited drought relief to southern **China**. Sunny skies aided winter wheat germination in **Argentina**, but cool, showery weather was untimely for late coffee harvesting in **Brazil**. In **Canada** warm, dry weather hastened maturity of Prairie spring crops. Tropical showers preceded and accompanied the passage of Tropical Storm Erika across northeastern **Mexico**, aiding pastures and boosting soil moisture reserves in preparation for autumn planting.

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