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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, 42% above 2002. The World Agricultural Outlook Board (WAOB) projected 2003/04 ending stocks are unchanged from last month as a 10 million bushel reduction in imports was offset by reduced food use. The lower projected food use for 2003/04 is in line with a downward adjustment in use for 2002/03 linked to recently released mill grind estimates by the Bureau of Census. The projected price range for 2003/04 is \$3.10 to \$3.50 per bushel compared to \$3.56 for the 2002 crop.

Corn. The September forecast for 2003 corn production is 9.94 billion bushels, down 1% from the August forecast but 10% above last year. Based on conditions as of September 1, yields are expected to average 138.5 bushels per acre, down 1.4 bushels from August but up 8.5 bushels from last year. If realized, both the yield and production would be the second largest on record. WAOB projected U.S. 2003/04 ending stocks are expected to be down 120 million bushels from last month because of lower forecast production. The projected 2003/04 price range for corn is \$2.10 to \$2.50 per bushel compared to \$2.30 for the 2002 crop.

Soybeans. The 2003 soybean crop is forecast at 2.64 billion bushels, down 8% from last month and 3% below last year. The yield forecast, at 36.4 bushels per acre, is down 3.0 bushels from August and down 1.4 bushels from last year. WAOB projected U.S. export prospects are decreased 60 million bushels from last month. Soybean crush is also reduced as higher prices reduce domestic use and prospective exports for both soybean meal and oil. Ending stocks are projected by the WAOB at 135 million bushels, down 85 million bushels from last month and the lowest since 1996/97. The market year average price for 2003/04 is projected between \$5.25 and \$6.15 per bushel, compared to \$5.50 for the 2002/03 crop year.

Cotton. The September U.S. cotton production is forecast at 16.9 million 480-pound bales, down 1% from last month and 2% below last year's production. Yield is expected to average 667 pounds per acre, the same as last month. WAOB projections include lower beginning stocks and higher exports compared with last month. Domestic mill use is unchanged, but exports are raised to a record high 12.0 million bales as reduced foreign crop prospects are raising world import demand. Ending stocks are reduced to 3.8 million bales, down 500,000 bales from last month.

Rice. U.S. rice production is forecast at 198 million cwt, up 2% from August but 6% below 2002. As of September 1, the U.S. all rice yield is forecast at a record high 6,655 pounds per acre. This is up 78 pounds from the August forecast and 77 pounds above the 2002 record yield. Ending stocks are projected by the WAOB at 25.4 million cwt, up 44% from last month, but 5% below last year. The market year average price is expected to average between \$6.25 and \$6.75 per cwt compared to \$4.22 per cwt for the 2002 crop.

Other Crops. Grain Sorghum is forecast at 410 million bushels, down 9% from last month but up 11% from 2001. The **peanut crop**, at 3.99 billion pounds, is up 1% from last month and up 20% from last year.

Cattle. Mid-September **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$93 per cwt, up \$13 from mid-August. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were \$104 per cwt, up \$13 from a month ago.

Hogs. During the first two weeks of September, hog **slaughter** has been running about 5.0% below a year ago. Cash **prices** at mid-September (Iowa-Southern Minnesota direct, 51-52% lean) were \$42 per cwt, unchanged from mid-August. Third quarter prices are expected to average \$43 per cwt.

Other Livestock. August **milk production** was down 0.8% from the previous year. Production per cow was down 0.4% from last year, and the number of cows decreased 0.3% from a year ago. The **cheddar**

cheese price (U.S. 40 pound blocks, wholesale) was up the first two weeks of September. Total **cheese** production reported for the month of July, 2003 was 2.9% above the previous year. **Butter** production during this same time period was 16.1% below the previous July. **Nonfat** dry milk production was down 7.4% from the previous year. US table **egg production** during August 2003 totaled 6.24 billion, down slightly from August 2002. Wholesale market **egg prices** for the third quarter of 2003 (Grade A large, New York) are expected to average 87-88 cents per dozen, compared with 65.3 cents a year ago. Fourth quarter 2003 egg prices are expected to average 88-92 cents per dozen, compared with 75.5 cents a year earlier. **Broiler**-type chicks hatched during August 2003 totaled 783 million, up slightly from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending Sep 13, 2003, were 169 million, down 1% from a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2003 is expected to be 63-64 cents, compared with 56.4 cents from the third quarter of last year. Fourth quarter 2003 broiler prices are expected to average 60-64 cents per pound, compared with the 53.7 cents for a year earlier. **Turkey** poult placements in August 2003, at 24.0 million, were down 4% from last August. Cumulative placement for the 2003 marketing year are 293 million poult, down 1% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2003 are expected to be 58-59 cents compared with 66.7 cents for the third quarter last year. **Turkey** prices for the fourth quarter of 2003 are expected to average 62-66 cents per pound, compared with the 68.2 cents average for the fourth quarter of 2002. **Supplies in refrigerated warehouses** at the end of August 2003 compared with a year earlier were: total chicken, down 25%; turkey, up 4%; pork, down 8%; bellies, up 26%; beef, down 19%; frozen orange juice, down slightly; butter, up 12% and American cheese, down 5%.

Trade. September U.S. **trade projections** for rice, cotton, and beef improved while 2003/2004 export prospects for soybeans declined, compared with last month. Wheat, corn, pork, broilers, and turkeys were unchanged from August. September 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 25%; **soybeans** down 10%; **soybean meal** down 14%; **soybean oil** down 62%; and **cotton** up 1%. September projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 1%; **pork** up 1%; **broilers** up 6%; and **turkeys** down 2%. The **U.S. trade** deficit for goods and services increased to \$40.3 billion in July, from a revised \$40.0 billion in June. The **U.S. agricultural trade** surplus was \$1.132 billion in July, compared with \$662 million in June.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.4% in August and has increased 2.2% over the last 12 months. The **PPI** increased 0.4% in August and has increased 3.4% over the last 12 months. The August **prime rate**, averaging 4%, was unchanged from July. Compared to a year earlier, **feed** prices in July were down 3%; **feeder livestock and poultry** were up 10%; **fertilizer** up 13%; **ag chemicals** were unchanged; **farm machinery** up 1%, **seeds** up 9% and **fuels** up 21%.

World Weather and Crop Developments (September 14-21). In the **United States**, hurricane Isabel hit the Atlantic Coast Thursday, bringing high winds, heavy rain, and flooding to North Carolina and the middle Atlantic Coast States. Though the winds abated as the storm moved further inland, moderate to heavy rainfall extended into the eastern Ohio Valley and northern Atlantic Coast. The Southeast was mostly dry, with near-normal temperatures. In the northern Corn Belt, the temperatures were slightly above normal, with light to moderate precipitation. The southern Corn Belt experienced below-normal temperatures, and most of the region was dry. The Mississippi Delta had very little rain and below-normal temperatures. Milder temperatures prevailed throughout the Pacific Northwest, Rocky Mountains, and Great Plains. Precipitation in these regions was limited to light rainfall in some areas and widely scattered pockets of moderate rain. In the Southwest, temperatures were above normal and the weather was dry. In the **FSU-western** unseasonably warm, dry weather helped fieldwork for summer crop harvesting and winter grain planting. In the **FSU-New Lands** warm, dry weather allowed spring grain harvesting to progress without delays. Warm, dry weather returned to **Europe** after last week's beneficial rain, favoring winter crop planting and summer crop harvesting but further exacerbating drought. Widespread rain boosted pre-planting soil moisture in central **Turkey** for upcoming winter wheat planting, while mostly dry weather favored cotton maturation in western Turkey. Dry weather in northern New South Wales and southern Queensland, **Australia** further reduced moisture supplies for reproductive to filling winter grains and irrigated summer crops. The monsoon continued to withdraw slowly, providing favorably dry weather to maturing crops in **Pakistan** and northern **India**. Heavy showers favored rice in **Thailand**, but slowed harvest activities in the **Philippines**. Scattered showers returned to central **China**, increasing moisture for winter crops but renewing wetness on maturing cotton. Moisture was needed in **Argentina** for winter wheat development and to ensure uniform summer crop germination. In **Canada** cold, rainy weather likely caused some spring crop harvest delays on the western Prairies. Drier weather prevailed across portions of the central Mexican Corn Belt, while widespread showers continued to favor summer crops across the remainder of southern and eastern **Mexico**.

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