

NASS

Monthly Ag. Newsletter

NASS-NF77

"The Fact Finders for U.S. Agriculture"

December 2003

The NASS monthly newsletter is published by the U. S. Department of Agriculture, National Agricultural Statistics Service (NASS), 1400 Independence Avenue, S.W., Washington, D.C. 20250.

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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. All cotton production is forecast at 18.2 million 480-pound bales, unchanged from November 1 but up 6 percent from last year's production. Yield is expected to average a record high 722 pounds per harvested acre, surpassing the previous record of 708 pounds set in 1994. The World Agricultural Outlook Board's (WAOB) global projections include marginally higher beginning stocks and production and lower consumption, resulting in slightly larger ending stocks. Projected ending stocks are raised nearly 2% to 32.2 million bales, which would be the smallest world stocks since 1994/95.

Corn. The 2003 corn production is forecast at 10.3 billion bushels, up 14% from last year. The average yield is forecast at 143.2 bushels per acre, up 13.2 bushels from a year ago. WAOB projected 2003/04 U.S. ending stocks are down 50 million bushels from last month due to less competition from Argentina, the stronger-than-expected pace of corn export sales to date, and recent sales made to non-traditional markets (Malaysia and Indonesia). A market year average price between \$2.00 and \$2.40 per bushel is expected, compared to \$2.32 for the 2002 crop.

Soybeans. The 2003 soybean crop is forecast at 2.45 billion bushels, down 11% from last year. The yield forecast, at 33.8 bushels per acre, is 4.2 bushels below 2002. WAOB projected U.S. ending stocks, at 125 million bushels, are unchanged from last month. Soybean exports are forecast at 890 million bushels by the WAOB, unchanged from last month. A market year average price is projected between \$6.85 and \$7.65 per bushel, compared with \$5.53 for the 2002 crop year.

Wheat. All wheat production totaled 2.34 billion bushels in 2003, up 44% from 2002. The average yield is 44.2 bushels per acre, up 8.9 bushels from last year. WAOB projected 2003/04 U.S. ending stocks are down 25 million bushels from last month due to a 25-million-bushel increase in exports. Larger expected exports are based on stronger than expected shipments to date and an increase in the world wheat import forecast. All of the increase in exports is projected to occur in the HRW class. The market year average price is expected to average between \$3.20 and \$3.40 per bushel compared to \$3.56 for the 2002 crop.

Rice. U.S. rice production is at 198 million cwt, 6% below 2002. The average yield is forecast at a record high 6,656 pounds per acre, 78 pounds above last year. The market year average price is expected to average between \$7.00 and \$7.50 per cwt compared to \$4.22 for the 2002 crop.

Other Crops. Grain Sorghum production is forecast at 400 million bushels, up 8% from 2002. The **peanut crop** is forecast at 4.09 billion pounds, 23% above last year's crop.

Cattle. Mid-December **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$95 per cwt, down \$5 from mid-November. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$96 per cwt, down \$7 from a month earlier.

Hogs. Through the first two weeks of December, hog **slaughter** was running roughly 5.5% above a year ago. Cash **prices** at mid-December (Iowa-Southern Minnesota direct, 51-52% lean) averaged \$36 per cwt, up \$1 from the mid-November price. Fourth quarter prices are expected to average \$38 per cwt.

Other Livestock. November **milk production** was down 0.2% from the previous year. Production per cow increased 0.9%, while the number of cows decreased 1.1% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was down the first two weeks of December. Total **cheese** production reported for the month of October 2003 was 1.0% above the previous year. **Butter** production during this same time period was 5.5% below last year. Production of **nonfat dry milk for human food** was down 4.1% from October 2002. US table **egg production** during November 2003 totaled 6.25 billion, up 1% from November 2002. Wholesale market **egg prices** for the fourth quarter

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of 2003 (Grade A large, New York) are expected to average 112-113 cents per dozen, compared with 75.5 cents a year ago. First quarter 2004 egg prices are expected to average 93-97 cents per dozen, compared with 77.2 cents a year earlier. **Broiler**-Type chicks hatched during November 2003 totaled 708 million, up 3% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending Dec.13, 2003, were 167 million, up 2% from a year ago. Cumulative placements for the 19 selected states for the period December 29, 2002 - December 13, 2003 totaled 8.31 billion, down slightly from the 8.33 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2003 is expected to be 63-64 cents, compared with 53.7 cents from the fourth quarter of last year. First quarter 2004 broiler prices are expected to average 60-64 cents per pound, compared with the 60.3 cents for a year earlier. Turkey Poultry Placements in November 2003, at 22.0 million, were down 8% from last November. Cumulative placement for the 2004 marketing year are 67.0 million poult, down 5% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2003 are expected to be 67-68 cents compared with 68.2 cents for the fourth quarter last year. Turkey prices for the first quarter of 2004 are expected to average 59-63 cents per pound, compared with the 61.1 cents average for the first quarter of 2003. **Supplies in refrigerated warehouses** at the end of November 2003 compared with a year earlier were: total chicken, down 27%; turkey, up 6%; pork, down 5%; bellies, up 88%; beef, down 27%; frozen orange juice, down 4%; butter, down 9% and American cheese, down 1%.

Trade. December U.S. **trade projections** for wheat, corn, and turkeys improved while 2003/2004 export prospects for beef and broilers declined, compared with last month. Rice, soybeans, cotton, and pork were unchanged from November. December projections for the volume of exports for the 2003/2004 marketing year compared to 2002/2003 are: **wheat** up 29%; **corn** up 21%; **rice** down 23%; **soybeans** down 15%; **soybean meal** down 25%; **soybean oil** down 62%; and **cotton** up 11%. December projections for the volume of meat exports in calendar 2004 compared to 2003 are: **beef** up 1%; **pork** up slightly; **broilers** up 5%; and **turkeys** up 3%. The **U.S. trade deficit** for goods and services increased to \$41.8 billion in October, from a revised \$41.3 billion in September. The **U.S. agricultural trade surplus** was \$1.9 billion in October, compared with \$559 million in September.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.3% in November but has increased 1.8% over the last 12 months. The **PPI** decreased 0.3% in November but has increased 3.4% over the last 12 months. The November **prime rate**, averaging 4%, was unchanged since July. Compared to a year earlier, **feed** prices in November were up 2%; **feeder livestock and poultry** were up 16%; **fertilizer** up 16%; **ag chemicals** up 3%; **farm machinery** up 1%, **seeds** up 9% and **fuels** up 17%.

World Weather and Crop Developments (December 7-14). In the **United States**, during the week, temperatures fluctuated widely with changing weather patterns but were generally below normal across the Atlantic Coast, Southeast, Mississippi Delta, and Great Plains. Weekly low temperatures were below freezing across most of the Nation, with only the extreme Gulf and Pacific Coasts holding above freezing. The Pacific Northwest and Rocky Mountains had mostly above-normal temperatures, although low temperatures were below 20 degrees Fahrenheit across much of that area. Precipitation was moderate across most of the East Coast, with a combination of snow and rain causing some flooding in the middle Atlantic Coast States. The Southeast and Mississippi Delta also received moderate rainfall. Welcomed precipitation, including some snow, fell in parts of the western and central Corn Belt. Most of the Great Plains remained dry, although the southeastern portions of the region had some moderate rain and snowfall. Winter wheat benefited from light precipitation in the Pacific Northwest. In the Rocky Mountains, precipitation was light to moderate and widely scattered. Snow cover extended southward to encompass most of the Corn Belt, northern and central Great Plains, northern and central Rocky Mountains, and Pacific Northwest, providing some protection for winter wheat in those regions.

Across **Turkey**, widespread rain boosted moisture supplies for winter grains, which entered dormancy in central Turkey and western Iran. Widespread rain continued to provide adequate to abundant moisture for winter grain emergence in **Morocco**, **Algeria**, and **Tunisia**, although excessive rains likely delayed planting activities in northern Tunisia. After a slow and sporadic start to the rainy season, consistent, heavy showers favored vegetative rice and corn in **Indonesia** and the **Philippines**. Dry weather in western and southern **Australia** enabled winter grain harvesting to continue unimpeded, while showers in the east brought additional drought relief to major summer crop-producing areas.

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