

NASS

Monthly Ag. Newsletter

NASS-NF86

"The Fact Finders for U.S. Agriculture"

September 2004

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.

Wheat. All wheat production is forecast at 2.12 billion bushels, 9% below 2003. The World Agricultural Outlook Board (WAOB) projected 2004/05 ending stocks are unchanged from last month as no changes are made to supplies or usage. The projected price range for 2004/05 is \$3.00 to \$3.50 per bushel compared to \$3.40 for the 2003 crop.

Corn. The September forecast for 2004 corn production is 11.0 billion bushels, up fractionally from the August forecast and 8% above last year. Based on conditions as of September 1, yields are expected to average 149.4 bushels per acre, up 0.5 bushels from August and 7.2 bushels above last year. If realized, both the yield and production would be the largest on record. WAOB projected U.S. ending stocks for 2004/05 are expected to be up 77 million bushels from last month because of a higher production forecast and increased beginning stocks due to a reduction in 2003/04 exports. The projected 2004/05 price range for corn is \$2.00 to \$2.40 per bushel compared to \$2.40 for the 2003 crop.

Soybeans. The 2004 soybean crop is forecast at 2.84 billion bushels, down 1% from last month but 17% above last year. The yield forecast, at 38.5 bushels per acre, is down 0.6 bushel from August but up 5.1 bushels from last year. WAOB projected U.S. export prospects are decreased 30 million bushels from last month due to reduced global import demand. Soybean crush is also reduced, from 1.625 million bushels to 1.615. Ending stocks are projected by the WAOB at 190 million bushels, unchanged from last month. The market year average price for 2004/05 is projected between \$5.35 and \$6.25 per bushel, compared to \$7.35 for the 2003/04 crop year.

Cotton. The September U.S. cotton production is forecast at 20.9 million 480-pound bales, up 4% from last month and 14% above last year's production. Yield is expected to average 758 pounds per acre, up 31 pounds from last month and 28 pounds from 2003. WAOB projections include lower beginning stocks and higher exports compared with last month. Domestic mill use is raised 200,000 bales in both 2003/04 and 2004/05 to reflect additional mill use not included in previous Census reports. Ending stocks are increased to 6.1 million bales, up 200,000 bales from last month.

Rice. U.S. rice production is forecasted at 222 million cwt, up fractionally from August and up 11% from 2003. As of September 1, the U.S. all rice yield is forecast at a record high 6,651 pounds per acre. This is down 29 pounds from the August forecast but 6 pounds above the 2003 record yield. Ending stocks are projected by the WAOB at 32.9 million cwt, down 3% from last month, but 39% above last year. The market year average price is expected to average between \$7.00 and \$7.50 per cwt compared to \$7.49 per cwt for the 2003 crop.

Other Crops. Grain Sorghum is forecast at 472 million bushels, up 2% from last month and up 15% from 2003. The **peanut crop**, at 4.44 billion pounds, is up 3% from last month and up 7% from last year.

Cattle. Mid-September **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$83 per cwt, down \$3 from mid-August. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were \$115 per cwt, down \$3 from a month ago.

Hogs. During the first two weeks of September, hog **slaughter** has been running about 5.0% above a year ago. Cash **prices** at mid-September (Iowa-Southern Minnesota direct, 51-52% lean) were \$55 per cwt, up \$1 from mid-August. Third quarter prices are expected to average \$55 per cwt.

Other. August **milk production** was up 1.5% from the previous year. Production per cow was up 1.5% from last year, and the number of cows decreased 0.1% 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 2004 was 1.5% below the previous year. **Butter** production during this

same time period was 14.3% above the previous July. **Nonfat** dry milk production was up 5.1% from the previous year. US table **egg production** during August 2004 totaled 6.43 billion, up 2% from August 2003. Wholesale market **egg prices** for the third quarter of 2004 (Grade A large, New York) are expected to average 65-66 cents per dozen, compared with 89.9 cents a year ago. Fourth quarter 2004 egg prices are expected to average 73-77 cents per dozen, compared with 110.7 cents a year earlier. **Broiler**-Type chicks hatched during August 2004 totaled 810 million, up 3% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending September 18, 2004, were 173 million, up 4% from a year ago. Cumulative placements for the 19 selected states for the period December 28, 2003 - September 18, 2004 totaled 6.56 billion, up 2% from the 6.41 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2004 is expected to be 75-76 cents, compared with 63.4 cents from the second quarter of last year. Fourth quarter 2004 broiler prices are expected to average 73-77 cents per pound, compared with the 64.6 cents for a year earlier. Turkey Poult Placements in August 2004, at 23.7 million, were down 2% from last August. Cumulative placements for the 2004 marketing year are 282 million poults, down 4% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2004 are expected to be 73-74 cents compared with 59.1 cents for the third quarter last year. Turkey prices for the fourth quarter of 2004 are expected to average 74-78 cents per pound, compared with the 67.4 cents average for the third quarter of 2004. **Supplies in refrigerated warehouses** at the end of August 2004 compared with a year earlier were: total chicken, up 18%; turkey, down 17%; pork, down 10%; bellies, down 16%; beef, up 21%; frozen orange juice, up 17%; butter, down 36% and American cheese, up 5%.

Trade. September U.S. **trade projections** for cotton and pork improved while 2004/2005 export prospects for soybeans and broilers declined, compared with last month. Wheat, corn, rice, beef, and turkeys were unchanged from August. September projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 18%; **corn** up 11%; **rice** up 4%; **soybeans** up 13%; **soybean meal** up 14%; **soybean oil** up 10%; and **cotton** down 12%. September projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 35%; **pork** up 2%; **broilers** up 10%; and **turkeys** up 13%. The **U.S. trade** deficit for goods and services decreased to \$50.1 billion in July, from a revised \$55.0 billion in June. The **U.S. agricultural trade** surplus was \$239 million in July, compared with a \$262 million trade deficit in June.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.1% in August and has increased 2.9% over the last 12 months. The **PPI** decreased 0.1% in August but has increased 3.4% over the last 12 months. The August **prime rate**, averaging 4.42%, was up from 4.25% in July. Compared to a year earlier, **feed** prices in August were up 16%; **feeder livestock and poultry** were up 28%; **fertilizer** up 11%; **ag chemicals** unchanged; **farm machinery** up 4%, **seeds** up 1% and **fuels** up 20%.

World Weather and Crop Developments (September 12-19). In the **United States**, Hurricane Ivan came ashore along the central Gulf Coast Thursday, causing significant damage to cotton and peanut crops in southern Alabama and the Florida Panhandle. As it moved further inland, Ivan brought heavy rains to the Southeast, Ohio Valley, and middle Atlantic Coast, causing some flooding and fieldwork delays. Elsewhere, moderate to locally heavy precipitation fell in the western Corn Belt, bolstering crop conditions, while light to moderate rainfall in the northern and central Great Plains also benefitted crops. Crop conditions declined in the Southwest, southern Great Plains, and Mississippi Delta, under mostly dry conditions. Precipitation was heavy in coastal areas of the Pacific Northwest, but lighter in the interior part of the region and neighboring areas of the Rocky Mountains. Warm weather prevailed across most of the Nation, aiding crop development, particularly in the northern Great Plains and northern Corn Belt. Only in the Pacific Northwest and northern Rockies did temperatures average below normal. In **Brazil**, showers benefitted immature winter wheat in the far south, but drier weather supported coffee harvesting to the north. In England, Italy, and southeastern **Europe**, rain boosted topsoil moisture for winter grain and oilseed planting, but slowed fieldwork. Mostly dry weather favored fieldwork for summer crop harvesting and winter wheat planting in **Russia** and **Ukraine**. Light, scattered showers caused only brief delays in spring grain harvesting in Russia, while generally dry weather helped harvest activities in **Kazakhstan**. Showers in northern **China** increased soil moisture for winter wheat, later in the week warm, dry weather favored continued crop maturation and harvesting. Heavy showers eased dryness in central **Vietnam**, but slowed rice maturation and harvesting in **Thailand**. In **Australia**, mostly dry weather favored winter grain development and summer crop planting. Widespread rain continued to maintain adequate soil moisture for filling summer crops in **Mexico**, while Hurricane Ivan brushed extreme western **Cuba**, affecting only minor sugarcane areas. A warming trend spurred vegetative growth of winter wheat and germination of early planted summer crops, following early-week frosty weather in **Argentina**.

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