

# 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 totaled 2.16 billion bushels in 2004, up 2% from the last forecast but 8% below 2003. Grain area harvested is 50.2 million acres, down 5% from last year. The U.S. yield is 43.1 bushels per acre, down 1.1 bushels from last season. The World Agricultural Outlook Board (WAOB) projected 2004/05 ending stocks are down 9 million bushels from last month as a 41 million bushel increase in production is more than offset by 25 million bushel increases in both exports and in feed and residual use. A market year average price between \$3.10 and \$3.50 per bushel is expected, compared with \$3.40 for the 2003 crop.

**Corn.** The October forecast for 2004 corn production is 11.6 billion bushels, up 6% from the September forecast and 15% above 2003. Based on October 1 conditions, yields are expected to average 158.4 bushels per acre, up 9.0 bushels from last month and up 16.2 bushels from last year. If realized, both production and yield would be the largest on record. WAOB projected corn feed and residual use is up 200 million bushels from September but exports are down by 25 million bushels due to the slow pace of export sales to date and increased competition from feed-quality wheat. Projected U.S. ending stocks are up 482 million bushels from last month. A market year average price between \$1.75 and \$2.15 per bushel is expected, compared with \$2.42 for the 2003 crop.

**Soybeans.** The 2004 soybean crop is forecast at 3.11 billion bushels, up 10% from the last forecast and 27% above 2003. The yield forecast, at 42.0 bushels per acre, is up 3.5 bushels from September and up 8.1 bushels from 2003. If realized, both production and yield would be the largest ever recorded. Ending stocks are projected by the WAOB at 405 million bushels, up 215 million bushels from last month and the highest level since 1986/87. Soybean crush is raised by 30 million bushels from last month as domestic meal use and export prospects improve. Projected soybean exports are increased 25 million bushels due to reduced South American supplies and to more competitive U.S. prices. A market year average price is projected between \$4.70 and \$5.50 per bushel, compared with \$7.34 for the 2003 crop.

**Cotton.** All cotton production is forecast at 21.5 million 480-pound bales, up 3% from last month and 18% above last year's production. Yield is expected to average 782 pounds per acre, up 24 pounds from last month. According to WAOB, domestic mill use is unchanged. Exports are raised 100,000 bales to 12.3 million bales and ending stocks are increased 10% to 6.7 million bales. Higher projected world production, relative to last month, raises world ending stocks, despite a moderate increase in world consumption. World consumption is raised from last month due to increases for China, India, and Pakistan. World trade is virtually unchanged, as higher projected imports by China are offset by decreases for India and Pakistan.

**Rice.** U.S. rice production is forecast at 225 million cwt, up 2% from September and 13% above last year. Yields are expected to average a record high 6,763 pounds per acre, an increase of 112 pounds from last month and up 118 pounds from 2003. Record high yields are forecast in Arkansas, Mississippi, and Missouri. The market year average price is projected between \$7.00 and \$7.50 per cwt, compared with \$7.49 per cwt for the 2003 crop.

**Other Crops.** **Durum Wheat** production, at 90.5 million bushels, is up 2% from August 1 but 6% less than last year. **Other Spring Wheat** production is estimated at 574 million bushels, up 5% from the last forecast and 8% above a year ago. **Barley** production is estimated at 280 million bushels, up 3% from the last forecast and up 1% from last year's estimate. **Grain Sorghum** production is forecast at 462 million bushels, down 2% from the September forecast but up 12% from 2003. The **peanut crop** is expected to be down fractionally from last year.

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

**Hogs.** Through the first two weeks of October, hog **slaughter** was running roughly 1.0% below a year ago. Cash **prices** at mid-October (Iowa-Southern Minnesota direct, 51-52% lean) averaged \$50 per cwt, down \$5 from the mid-September price. Fourth quarter prices are expected to average \$45 per cwt.

**Other.** September **milk production** was up 1.3% from the previous year. Production per cow increased 1.2%, while the number of cows increased slightly from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of October. Total **cheese** production reported for the month of August, 2004 was 1.7% above the previous year. **Butter** production during this same time period was 25.4% above last year. Production of **nonfat dry milk for human food** was up 6.8% from August 2003. US table **egg production** during September 2004 totaled 6.26 billion, up 3% from September 2003. Wholesale market **egg prices** for the fourth quarter of 2004 (Grade A large, New York) are expected to average 74-77 cents per dozen, compared with 110.7 cents a year ago. First quarter 2005 egg prices are expected to average 72-78 cents per dozen, compared with 114.9 cents a year earlier. **Broiler**-Type chicks hatched during September 2004 totaled 770 million, up 4% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending October 16, 2004, were 164 million, up 2% from a year ago. Cumulative placements for the 19 selected states for the period October 28, 2003 - October 16, 2004 totaled 7.22 billion, up 2% from the 7.05 billion chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2004 is expected to be 72-74 cents, compared with 64.6 cents from the fourth quarter of last year. First quarter 2005 broiler prices are expected to average 70-76 cents per pound, compared with the 73.2 cents for a year earlier. Turkey Poults Placements in September 2004, at 21.3 million, were down 4% from last September. 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 fourth quarter of 2004 are expected to be 75-79 cents compared with 67.4 cents for the fourth quarter last year. Turkey prices for the first quarter of 2005 are expected to average 61-65 cents per pound, compared with the 62.1 cents average for the first quarter of 2004. **Supplies in refrigerated warehouses** at the end of September 2004 compared with a year earlier were: total chicken, up 27%; turkey, down 18%; pork, down 2%; bellies, up 12%; beef, up 22%; frozen orange juice, up 14%; butter, down 35% and American cheese, up 7%.

**Trade.** October U.S. **trade projections** for wheat, soybeans, and cotton improved while 2004/2005 export prospects for corn and rice declined, compared with last month. Beef, pork, broilers, and turkeys were unchanged from September. October projections for the volume of exports for the 2004/2005 marketing year compared to 2003/2004 are: **wheat** down 16%; **corn** up 9%; **rice** down 1%; **soybeans** up 16%; **soybean meal** up 26%; **soybean oil** up 24%; and **cotton** down 11%. October projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 35%; **pork** up 2%; **broilers** up 6%; and **turkeys** up 6%. The **U.S. trade** deficit for goods and services increased to \$54.0 billion in August, from a revised \$50.5 billion in July. The **U.S. agricultural trade** deficit was \$156 million in August, compared with a surplus of \$239 million in July.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.2% in September and has increased 2.5% over the last 12 months. The **PPI** increased 0.1% in September and has increased 3.3% over the last 12 months. The September **prime rate**, averaging 4.58%, was up from 4.43% in August. Compared to a year earlier, **feed** prices in September were up 9%; **feeder livestock and poultry** were up 18%; **fertilizer** up 14%; **ag chemicals** down 1%; **farm machinery** up 5%, **seeds** up 1% and **fuels** up 31%.

**World Weather and Crop Developments** (October 10-17). In the **United States**, below-normal temperatures prevailed across the Nation's midsection, including the Great Plains, Corn Belt, Ohio Valley, and Mississippi Delta. Moderate precipitation, mostly from the remnants of Tropical Storm Matthew, limited fieldwork in the Delta and lower Corn Belt. Conditions were mostly dry across the Great Plains, favoring summer crop maturation and harvest. Along the Pacific Coast and in the northern and central Rocky Mountains, warm, dry weather aided winter wheat planting. Temperatures were below normal in Florida and the middle Atlantic Coast States but above normal elsewhere along the Atlantic Coast, with light to moderate rainfall. Soaking rain benefited parched coffee and soybean areas of the Center-South Region of **Brazil**. Much-needed showers favored winter wheat establishment in extreme eastern **Ukraine** and the Southern Region in **Russia**. Across central **Turkey** and western **Iran**, rain is needed to boost topsoil moisture for rainfed winter grain planting, while dry weather favored cotton maturation in western Turkey. Showers helped to condition fields for planting of corn and other summer crops in **South Africa**. Seasonably dry weather prevailed in northern **Indochina**, favoring rice maturation and harvesting. Unseasonable rain continued in portions of northern **India**, keeping maturing cotton unfavorably wet but boosting long-term moisture reserves. On the Prairies, precipitation hampered spring grain and oilseed harvesting in northern and eastern districts of **Canada**. Beneficial rain improved conditions for summer crop establishment and late winter wheat development in **Argentina**.

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