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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. Slightly lower production and domestic mill use highlight this month's U.S. cotton situation. All cotton production is forecast at 20.1 million 480-pound bales, down 1% from last month but up 17% from 2000. Yield is expected to average 691 pounds per harvested acre, up 6 pounds from last month and 59 pounds above the previous year. The increase in yield resulted from a decrease in Texas harvested acres. The World Agricultural Outlook Board (WAOB) projected exports are raised 400,000 bales to 9.8 million, which would be the highest level in 75 years. Export commitments rose nearly 1.4 million bales during November as pricing opportunities for growers moved significant amounts of cotton into the market.

Corn. The 2001 corn production is forecast at 9.55 billion bushels, down 4% from last year. Based on November 1 conditions, yields are expected to average 138.0 bushels per acre, up 0.9 bushel from a year ago. A market year average price between \$1.85 and \$2.15 per bushel is expected, compared to \$1.85 for the 2000 crop.

Soybean. The 2001 soybean crop is forecast at a record high 2.92 billion bushels, up 6% from last year. The yield forecast, at 39.4 bushels per acre, is 1.3 bushels above 2000. WAOB projected U.S. ending stocks, at 330 million bushels, are down 25 million bushels from last month. Soybean exports are forecast at 1.0 billion bushels by the WAOB, an increase of 20 million bushels from last month due mainly to higher EU soybean meal consumption and a preference for soybeans over soybean meal, reflecting strong crush margins. A market year average price is projected between \$4.00 and \$4.80 per bushel, compared with \$4.54 for the 2000 crop year.

Wheat. All wheat production totaled 1.96 billion bushels in 2001, down 12% from 2000. The average yield is 40.2 bushels per acre, down 1.8 bushel from last year. WAOB projected 2001/02 U.S. ending stocks up 35 million bushels from last month due to reduced food use and lower exports. A 25 million bushel reduction in exports reflects lagging sales and shipments to date and continued strong competition for the remainder of the marketing year. The market year average price is expected to average between \$2.75 and \$2.95 per bushel compared to \$2.62 for the 2000 crop.

Rice. U.S. rice production is forecast at a record high 210 million cwt., 10% above 2000. The average yield is forecast at a record high 6,374 pounds per acre, 93 pounds above last year. The market year average price is expected to average between \$4.00 and \$4.50 per cwt. compared to \$5.56 per cwt. for the 2000 crop.

Other Crops. **Grain Sorghum** production is forecast at 537 million bushels, 14% above 2000. The **peanut crop** is forecast at 4.16 billion pounds, up 27% from last year. **Pecan** production, a crop with an alternate bearing cycle, is up 52% from the previous year. **Burley tobacco** production is forecast at 354 million pounds, down 2% from last year. **Fall potato** production and December 1 **potato stocks** are both down 14% from 2000. The **All Orange** production forecast for 2001-2002, at 12.5 million tons, is 1% above last season.

Cattle. At mid-December, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$61 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$83 per cwt. in mid-December, up \$3 from mid-November.

Hogs. During the first two weeks of December slaughter has been running about 5% above a year ago. Prices at mid-December (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$32 per cwt., up \$1 from mid-November. First quarter prices are expected to average \$42 per cwt.

Other Livestock. November **milk production** was up 0.4% from the previous year. Production per cow increased 1.4%, but the number of cows was down 1.0%. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) were up the first two weeks of December. During October, total **cheese**

production was 1.1% below the previous year, **butter** production was up 6.9% and **nonfat dry milk** production was up 0.3%. US table **egg production** during November 2001 totaled 6.14 billion, up 2% from November 2000. Wholesale market **egg prices** for the fourth quarter of 2001 (Grade A large, New York) are expected to average 70-71 cents per dozen, compared with 83.1 cents a year ago. First quarter 2002 egg prices are expected to average 66-70 cents per dozen, compared with 75.8 cents a year earlier. **Broiler**-Type chicks hatched during November 2001 totaled 696 million, up 3% from last year. Cumulative Broiler-Type Placements in 15 selected states thru December 15, 2001, were 7.30 billion, 1% above a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 2001 is expected to be 58-59 cents, compared with 57.6 cents for the fourth quarter of last year. First quarter 2002 broiler prices are expected to average 57-61 cents per pound, compared with the 57.8 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through November 2001 were 71.1 million, 2% above the same period a year ago. Placements in November 2001, at 24.3 million, were up 4% from last November. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 2001 are expected to be 72-73 cents compared with 76.2 cents for the fourth quarter last year. Turkey prices for the first quarter of 2002 are expected to average 59-63 cents per pound, compared with the 61.7 cents average for the first quarter of 2001. **Supplies in refrigerated warehouses** at the end of November 2001 compared with a year earlier were: total chicken, down 10%; turkey, down 2%; pork, down 3%; bellies, down 6%; beef, up 4%; frozen orange juice, up 17%, butter, up 97%; and American cheese, down 16%.

Trade. November U.S. **trade projections** for soybeans and cotton improved while 2001/2002 export prospects for wheat and beef declined, compared with last month. Corn, rice, pork, broilers, and turkeys were unchanged from October. November projections for the volume of exports for the 2001/2002 marketing year compared to 2000/2001 are: **wheat** down 6%; **corn** up 6%; **rice** up 3%; **soybeans** up slightly; **soybean meal** up 1%; **soybean oil** up 77%; and **cotton** up 45%. November projections for the volume of meat exports in calendar 2002 compared to 2001 are: **beef** down 2%; **pork** down 5%; **broilers** up 4%; and **turkeys** down 2%. The **U.S. trade** deficit for goods and services increased to \$29.4 billion in October, from a revised \$19.0 billion in September. The **U.S. agricultural trade** surplus was \$1.738 billion in October, compared with \$852.3 million in September.

Prices. The rate of **inflation**, as monitored by the CPI for all urban consumers, decreased 0.2% in November but has increased 1.9% over the last 12 months. The **PPI** decreased 0.6% in November, and has decreased 1.1% for the 12-month period ending in November. The November **prime rate**, averaging 5.10%, was down from 5.53% in October. Compared to a year earlier, **feed** prices in November were up 5%; **feeder livestock and poultry** prices were down 4%; **fertilizer** down 8%; **ag chemicals** up 1%; **farm machinery** up 1%; **seeds** up 7% and **fuels** down 36%.

World Weather and Crop Developments (November 9-16). In the **United States** above-normal temperatures continued to support development of winter crops and forages across most of the Nation. In the southern Great Plains and the Southwest, below-normal temperatures prevailed, but growth of winter crops was only slightly hindered. Many winter wheat fields in the lower Mississippi Valley and adjacent areas of the southern Great Plains, Southeast, and Ohio Valley were stressed by heavy rains that produced saturated soils, standing water, and flooding along rivers and streams. Moisture supplies were mostly adequate for winter wheat development in the eastern Corn Belt, although some areas were unfavorably wet. Light showers also provided much-needed moisture for winter crops on the Atlantic Coastal Plain. Heavy precipitation continued in the Pacific Northwest, while mostly dry weather aided field and orchard work in California's valleys.

Other News. **By November 2001 it was official**, the U.S. economy was in recession-and had been since March. The recession ended a decade-long expansion, the most durable on record. World economic growth-both in 2001 and 2002-is expected to be sluggish, posting the lowest back-to-back growth rates since the world debt crisis of 1981-82. **A recent dramatic shift** from auctioning to contract selling in the tobacco market is changing the character of the industry and perhaps the future of the Federal tobacco program. **Twelve years after the fall of Communism** in Central and Eastern Europe (CEE), the meat and dairy processing sectors of the CEE countries are undergoing a rapid process of concentration and modernization. This restructuring has been accelerated by the pending CEE accession to the European Union (EU), both because of pressure to meet EU sanitary standards and because of generous assistance provided by the EU to the food processing industry. **The U.S. and other countries made commitments** in 1994 under the Uruguay Round Agreement on Agriculture (URAA) to reduce the total amount of trade-distorting domestic subsidies provided to producers, to reduce export subsidies, and to increase import access to domestic markets. Thus far, the U.S. has been able to comply with its URAA commitments and still provide significant income support to producers. **The U.S. sheep industry continues a long decline** marked by shrinkage in inventories, prices, and revenues. The industry also bears the brunt of heightened concerns about sheep-borne animal diseases, as well as recent removal of a tariff-rate quota on imported lamb meat from Australia and New Zealand.
