

# 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.

**Corn:** U.S. growers intend to plant 79.0 million acres of corn for all purposes in 2002, up 4% from 2001. Corn stocks in all positions on March 1 totaled 5.80 billion bushels, 4% below a year earlier. Ending stocks on September 1, 2002 are expected to total 1.62 billion bushels, down 15% from last year. The projected market year price range for the 2001 corn crop is \$1.85 to \$1.95 per bushel.

**Soybeans:** U.S. soybean producers intend to plant 73.0 million acres in 2002, 2% below last year. Soybeans stored in all positions on March 1 totaled 1.34 billion bushels, down 5% from the previous year. Ending stocks on September 1, 2002 are expected to total 265 million bushels, up 7% from last year. The market average price for the 2001 crop is projected between \$4.10 and \$4.40 per bushel.

**Cotton:** All cotton plantings for 2002 are expected to total 14.8 million acres, down 1.02 million acres from 2001. Upland acreage is expected to be down 1.03 million acres from 2001, but American-Pima acreage is expected to increase 5% from last year.

**Wheat:** The 2002 all wheat planted area is expected to total 59.0 million acres. This is down 1% from 2001 and the lowest level since 1972. Durum wheat acres are expected to decrease 2% from last year. The 2002 other spring wheat planted acreage is estimated at 15.1 million acres, down 3% from last year. All wheat stocks on March 1 were estimated at 1.21 billion bushels, down 10% from a year ago. The market year price for the 2001 crop is expected to be between \$2.75 and \$2.85 per bushel.

**Rice.** Growers intend to plant 3.32 million acres, down less than 1% from 2001. The 2001/2002 market year average price is expected to average between \$4.15 and \$4.25 per cwt.

**Grain Sorghum:** Plantings are expected to total 9.02 million acres, down 12% from last year. **Barley** acreage intentions, at 5.08 million acres are up 2% from 2001. Producers expect to harvest 63.7 million acres of **hay** in 2002, up less than 1% from 2001. U.S. all **tobacco** for harvest in 2002 is forecast at 429,410 acres, down 1% from last year. If realized, this will be the lowest all tobacco acreage level since 1874.

**Cattle.** Mid-April **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged slightly over \$68 per cwt, down \$6 from mid-March. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were slightly over \$76 per cwt, down \$4 from a month ago.

**Hogs.** During the first two weeks of April, **slaughter** has been running roughly 101% of a year ago. Cash **prices** at mid-April (Iowa-Southern Minnesota direct, 230-250 pounds) were slightly under \$28 per cwt, down nearly \$7 from mid-March. Second quarter prices are expected to average \$40 per cwt.

**Other Livestock.** March **milk production** was up 3.2% from the previous year. Production per cow increased 3.2%, and the number of cows increased slightly from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of April. Total **cheese** production reported for the month of February, 2002 was 1.9% above the previous year. **Butter** production during this same time period was 13.9% above the previous February. **Nonfat** dry milk production was down 5.5% from the previous year. US table **egg production** during March 2002 totaled 6.31 billion, up 1% from March 2001. Wholesale market **egg prices** for the second quarter of 2002 (Grade A large, New York) are expected to average 57-59 cents per dozen, compared with 63.3 cents a year ago. Third quarter 2002 egg prices are expected to average 58-62 cents per dozen, compared with 61.4 cents a year earlier. **Broiler-**Type chicks hatched during March 2002 totaled 790 million, up 2% from last year. Cumulative Broiler-Type Placements in 15 selected states thru April 13, 2002, were 2.25 million, 3% above a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2002 is expected to be 56-58 cents, compared with 59.2 cents from the second quarter of last year. Third quarter 2002 broiler prices are expected to average 58-62 cents per pound, compared with the 61.1 cents for a year earlier. Cumulative **turkey poult placements** for the 2002 marketing year through March 2002 were 146 million, 2% above the same period a year ago. Placements in March 2002, at 24.3 million, were up 2% from last March. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2002 are expected to

be 62-64 cents compared with 65.0 cents for the second quarter last year. Turkey prices for the third quarter of 2002 are expected to average 63-67 cents per pound, compared with the 67.1 cents average for the third quarter of 2001. **Supplies in refrigerated warehouses** at the end of March 2002 compared with a year earlier were: total chicken, up 22%; turkey, up 25%; pork, up 22%; bellies, up 34%; beef, up 24%; frozen orange juice, up 4%, butter, up 53%; and American cheese, down 2%.

**Trade.** April U.S. **trade projections** for cotton and beef improved while 2001/2002 export prospects for broilers and turkeys declined, compared with last month. Wheat, corn, rice, soybeans, and pork were unchanged from March. April projections for the volume of exports for the 2001/2002 marketing year compared to 2000/2001 are: **wheat** down 8%; **corn** down 1%; **rice** up 1%; **soybeans** up 2%; **soybean meal** up 1%; **soybean oil** up 53%; and **cotton** up 55%. April projections for the volume of meat exports in calendar 2002 compared to 2001 are: **beef** down 1%; **pork** down 5%; **broilers** down 1%; and **turkeys** down 3%. The **U.S. trade** deficit for goods and services increased to \$31.5 billion in February, from a revised \$28.2 billion in January. The **U.S. agricultural trade** surplus was \$1.5 billion in February, compared with \$1.3 billion in January.

**Prices:** The rate of inflation, as monitored by the CPI for all urban consumers, increased 0.6% in March and has increased 1.5% over the last 12 months. The PPI increased 0.1% in March but has decreased 1.4% over the last 12 months. The March prime rate, averaging 4.75%, was unchanged from February. Compared to a year earlier, feed prices in March were up 1%; feeder livestock and poultry down 3%; fertilizer down 26%; ag chemicals unchanged, farm machinery unchanged, seeds up 7%, and fuels down 28%.

**World Weather and Crop Developments** (April 7-14). In the **United States**, above-normal temperatures promoted winter grain development across most of the Nation. Winter wheat fields quickly entered the heading stage in the Southwest, and many fields emerged from dormancy in the northern Great Plains. Rain slowed fieldwork and planting along the western and central Gulf Coast, but provided moisture for emerging rice, cotton, and corn fields. Fieldwork and planting gained momentum in the Southeast and southern Corn Belt, although rain shortened an otherwise productive week in the lower Ohio River Valley. Across the remainder of the Corn Belt, rain limited fieldwork east of the Mississippi River and planting was mostly limited to small grains west of the Mississippi River. In the upper Mississippi Valley and northern Great Plains, field preparations gradually accelerated, but small grain seeding was isolated. A warming trend spurred further greening of winter grains as far north as the Baltics and western areas in northern **Russia**, while light to moderate showers boosted topsoil moisture for spring grain germination and early winter wheat development in **Ukraine** and southern Russia. Very beneficial rain fell across much of southern **Europe**, boosting reservoir levels and helping winter grain development. Showers in **Morocco** and western **Algeria** continued to favor winter grains, while drier weather stressed crops in eastern **Algeria** and **Tunisia**. Warmth and dryness favored summer crop harvesting in Queensland and New South Wales, **Australia**. Showers benefitted immature summer crops and moistened topsoils ahead of winter wheat planting in South **Africa**. Beneficial rain continued across winter wheat areas of **Iran**. Dry weather favored summer crop planting across the North **China** Plain and Manchuria, after last week's beneficial rain, but more rain is still needed for jointing winter wheat. Showers returned to **Argentina**, slowing summer crop harvesting, especially for northern cotton. In Parana, **Brazil**, developing drought began to stress winter corn.

**Other News: Farm lending**, which has been growing since 1992, is expected to increase again in 2002. Last year, U.S. farmers held \$192.8 billion in farm loans. For 2002, a rise of 1.9 percent to \$196.5 billion is forecast, the smallest annual growth in a decade. Borrowers, including farm borrowers, are likely to encounter **rising interest rates in 2002 and 2003** after enjoying declining rates since mid-2000. The upward pressure comes from the economic rebound that began in late 2001, stronger business credit demand, tighter domestic monetary policy, and gradually accelerating economic growth. **Corn planting intentions** are up 4 percent from last year, partly due to reduced fertilizer costs for corn production and lower anticipated returns for competing crops, particularly cotton in the Delta. Crop rotation considerations and uncertainty about the farm bill may also draw acreage from soybeans to corn, contributing to the slight intended reduction in overall soybean area. **Oats, the least prominent of the feed grains**, have been gaining attention as prices climb and buyers scramble to ensure supplies. In the U.S., improved genetics for crops other than oats, and planting flexibility under the 1996 Farm Act, have cut into oats production in favor of corn and soybeans. Western analysts have predicted that **reform in the New Independent States (NIS) of the former Soviet Union** could transform the region from a large grain importer (as during the Soviet period) into a major grain exporter. Recent research by USDA's Economic Research Service indicates that relative production costs of outputs and inputs compared with other producing countries do not currently support large grain trade by the NIS, either imports or exports. Public support has been growing for **government farmland protection programs**. Behind this support is the perception that farmland produces more for society than food and fiber, such as scenic views, environmental benefits, and maintaining an agrarian heritage. **As China grows, develops, and integrates with the world economy**, it is likely to become an even larger and steadier customer for agricultural imports. At the same time, China could become a competitive exporter of fruits, vegetables, fish, meat, and poultry if its production were modernized, its marketing infrastructure improved, and food safety and animal health issues resolved.

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