

# 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.** Corn ending stocks for the 1999-2000 marketing year are forecasted by the WAOB to total 1.74 billion bushels, 25 million bushels above the previous forecast, but 48 million bushels below the 1998-99 marketing year. The average farm price for the 1999 crop is expected to be between \$1.75 and \$2.05 per bushel.

**\*Soybeans.** Soybean ending stocks for the 1999-2000 marketing year are forecasted by WAOB to total 345 million bushels, down 20 million from the previous forecast and 3 million bushels below the 1998-99 marketing year. Exports prospects were increased 25 million bushels while soybean crush was reduced by 5 million bushels. The average price for the 1999 crop is expected to be between \$4.50 and \$5.00 per bushel.

**\*Wheat.** The WOAB raised projected U.S. 1999-2000 ending stocks of wheat by 25 million bushels from the previous forecast because of lower exports. This puts the projected level at 997 million bushels. Projected exports are down 25 million bushels from last month because of increased competition. Projected imports were lowered 5 million bushels and food use was also reduced by 5 million bushels from the previous projection. The projected price range for all wheat for the 1999 crop is \$2.50 to \$2.60 per bushel.

**\*Cattle.** February 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 11.58 million head, up 10% from a year earlier. January placements were up 15% from the previous year. Marketings of fed cattle were 1% above 1999. At mid-February, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$69 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$83 per cwt in mid-February, down \$5 from mid-January.

**\*Hogs.** During the first two weeks of February slaughter has been running about 2-3% below a year ago. Prices at mid-February (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$41 per cwt, up \$3 from mid-January. Second quarter prices are expected to average \$40 per cwt.

**\*Other Livestock.** January **milk production** was up 4.7% from the previous year. Production per cow increased 3.8%, however, the number of cows was only up slightly from January 1999. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) decreased 0.9 cent for the first week of February and 1.0 cent for the second week. During December, total **cheese production** was 4.4% above the previous year, **butter production** was up 1.4% and **nonfat dry milk production** was up 16.6%. US table **egg production** during January, 2000 totaled 6.06 billion, up 3% from 1999. Wholesale market **egg prices** for the first quarter of 2000 (Grade A large, New York) are expected to average 62-64 cents per dozen, compared with 75.0 cents a year ago. Second quarter 2000 egg prices are expected to average 53-57 cents per dozen, compared with 58.1 cents a year ago. **Broiler-Type** chicks hatched during January, 2000 totaled 749 million, 2% more than last year. Cumulative Broiler-Type Placements in 15 selected states for 2000 was 870 million, 2% above a year ago. The wholesale 12 city average price for whole **broilers** for the first quarter of 2000 is expected to be 55-57 cents, compared to 58.1 cents for the first quarter of last year. Second quarter 2000 broiler prices are expected to average 55-59 cents per pound, compared with the 58.6 cents for a year earlier. Cumulative **turkey poult placements** for the 2000 marketing year through January, 2000 were 118 million, 2% more than the same period a year ago. Placements in January, 2000 at 24.8 million, were 1% more than last January. Prices (8-16 lb. hens, Eastern Region) for the first quarter of 2000 are expected to be in the 62-64 cent range compared with 59.4 cents for the first quarter last year. Turkey prices for the second quarter of 2000 are expected to average 64-68 cents per pound, compared with the 65.8 cents average for the second quarter of 1999. **Supplies in refrigerated warehouses** at the end of January, 2000 compared with a year earlier were: total chicken, up 12%; turkey, down 14%; pork, down 13%; beef, up 2% and frozen orange juice, down 21%.

**\*Trade.** February U.S. **trade projections** for rice, soybeans, beef, and broilers improved while 1999/2000 export prospects for wheat and corn declined, compared with last month. Cotton, pork, and turkeys were unchanged from January. February projections for the volume of exports for the 1999/2000

marketing year compared to 1998/1999 are: **wheat** up 1%; **corn** down 2%; **rice** up 1%; **soybeans** up 11%; **soybean meal** down 2%; **soybean oil** down 31%; and **cotton** up 47%. February projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** down 2%; **pork** down 6%; **broilers** up 3%; and **turkeys** up 8%. The **U.S. trade** deficit for goods and services decreased to \$25.5 billion in December, from a revised \$27.1 billion November. The **U.S. agricultural trade** surplus was \$1.038 billion in December, compared with \$1.444 billion in November.

**\*Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.2% in January and has increased 2.7% over the last 12 months. The January **PPI** was unchanged from December, but has increased 2.5% for the 12-month period ending in January. The January **prime rate**, averaging 8.50%, was unchanged from December. Compared to a year earlier, **feed** prices in January were down 1%; **feeder livestock and poultry** prices up 23%; **fertilizer** down 2%; **ag chemicals** up 1%; **farm machinery** down 1%; **seeds** down 2%; and **fuels** up 84%.

**\*World Weather and Crop Developments** (February 7-13). In the **United States**, Temperatures averaged above normal across most of the Nation and well above normal in the Great Plains, Southwest, lower Mississippi Valley, and adjacent areas in the southern and western Corn Belt. Dry weather continued in the Great Plains and interior areas of the Southwest. Many areas in the lower Mississippi Valley and Southeast also remained drier than normal. In the former **Soviet Union**, unseasonably warm weather continued to prevail across most of the region. In January, overwintering conditions continued favorable for winter grains throughout most of the former USSR. Temperatures in January averaged near normal in **Ukraine**, and 2 to 4 degrees C above normal in Russia, Belarus, and the Baltics. In **Europe**, the 2nd consecutive week of unseasonably mild weather caused winter grains and oilseeds to break dormancy about 2 to 6 weeks ahead of schedule. In eastern Europe, unseasonably mild weather kept major winter grain-producing areas snow-free. Warmer-than-normal temperatures caused new crop development in parts of western Poland, the Czech Republic, Hungary, and southeastern Europe. Winter crops in these areas typically do not break dormancy until late March or early April. Warmer weather prevailed across the **North China Plain**, but winter wheat remained dormant. Light to moderate rain fell across southern China, increasing moisture supplies for winter crops. Milder weather eased cold weather stress on winter crops and sugarcane across the south. In **Australia**, mostly dry, warm weather in southern Queensland and northern New South Wales favored growth of immature cotton and sorghum. Light showers were generally confined to crop areas in northern New South Wales, although heavier rain was pushing into the western grazing lands at week's end. In Western Australia, unusually heavy rain struck the main agricultural districts in mid-January. While coming too late to significantly impact winter grains, some localized flooding was likely. In the **Philippines**, heavy showers caused additional flooding to the east-central areas. Elsewhere in the Philippines, widespread showers covered the eastern and southern portions of the country. Temperatures averaged 1 to 2 degrees C below normal across **Thailand**. Near-normal January rainfall maintained adequate moisture supplies for main-season rice in Java, Indonesia. In January, mostly dry weather prevailed across Indochina, but mid-January to early February rainfall slowed rice fieldwork in central and south-central **Vietnam**. In southern **Brazil**, widespread showers favored filling soybeans from northern Mato Grosso do Sul and Sao Paulo northward. In northern **Argentina**, drier weather eased wetness from last week's torrential rainfall. Widespread showers covered the main summer crop areas of central Argentina, boosting soil moisture for reproductive soybeans and filling corn. The rain provided much-needed moisture for summer crops, especially in southern Santa Fe, northeastern Buenos Aires, and Entre Rios.

**\*Other News.** China's participation in the World Trade Organization would result in significant gains in **U.S. agricultural exports and farm income** based on recently completed analysis by USDA's Economic Research Service. U.S. exports of grains, oilseeds and related products, and cotton would be \$1.6 billion above projected baseline levels in 2005. Additional gains would result from significantly reduced tariffs for other products, such as poultry, pork, beef, citrus, other fruits, vegetables, tree nuts, and forest and fish products. **U.S. hog producers** are benefitting from the combination of a declining hog inventory that is reducing pork production and raising prices, and a booming economy that is fueling demand for meat products. Breeding herd reductions continuing since late 1998 ensure lower pork production in 2000, higher hog prices, and a rise in producers' returns if feed costs continue low. Sparked in part by \$400 million in premium discounts for "buy-up" coverage as part of emergency assistance legislation, farmers increased participation in **crop insurance in 1999**. Total insured acres reached 196 million, up about 8% from 1998, and acres insured at buy-up levels--coverage above minimum catastrophic coverage--increased by 19%. Forces driving the growth in **world meat trade** since the mid-1980's are still at work in shaping trade patterns. Since 1985, global meat trade has advanced because of significant reductions in trade barriers, notably the relaxation of barriers by Japan and South Korea, regional trade agreements among the countries of North America and South America, and the opening of new markets for poultry in Russia and China. January-November 1999 **U.S. agricultural exports** totaled nearly \$44 billion, 7% less than the same period in 1998. Cumulative imports of \$34.5 billion increased 2% from 1998. The year-to-date trade surplus dropped 28% from a year earlier to \$9.4 billion.

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