

# NASS

## Monthly Ag. Newsletter

NASS-NF102

"The Fact Finders for U.S. Agriculture"

January 2006

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.

For your convenience, all NASS reports are available free of charge on the Internet: <http://www.usda.gov/nass/>.

For further information on these topics e-mail your inquiry to [nass@nass.usda.gov](mailto:nass@nass.usda.gov). or call 800-727-9540.

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.** The 2005 corn production is estimated at 11.1 billion bushels, up 1% from the November forecast but down 6% from last year. The average U.S. grain yield is estimated at 147.9 bushels per acre, 0.5 bushel below November and down 12.5 bushels from 2004. Both production and yield estimates are the second largest on record, behind last year. Corn stocks in all positions on December 1, 2005 totaled 9.81 billion bushels, up 4% from December 1, 2004. This is the highest December 1 stocks level since 1986. The market year average price, projected by the World Agricultural Outlook Board (WAOB), between \$1.75 and \$2.05 per bushel is expected, compared with \$2.06 for the 2004 crop.

**Soybeans.** The 2005 soybean production is estimated at 3.09 billion bushels, the second largest U.S. soybean crop in history. This is up 1% from the November forecast but 1% below the record setting 2004 crop. The average yield per acre is estimated at a record high 43.3 bushels, 0.6 bushel above the November forecast and 1.1 bushels above the 2004 final yield. Soybeans stored in all positions on December 1, 2005 totaled 2.50 billion bushels, up 9% from December 1, 2004. This is the largest December 1 stocks level on record. A market year average price is expected between \$5.10 and \$5.80 per bushel, compared with \$5.74 for the 2004 crop.

**Cotton.** The 2005 cotton production is estimated at 23.7 million bales, up fractionally from last month and 2% more than last year's production. Yield is expected to average 831 pounds per acre, down 24 pounds from a year ago. Production surpasses the previous record high set last year, while yield is the second highest on record. The WAOB projections for U.S. exports and ending stocks are unchanged from last month at 16.4 million bales and 6.90 million bales, respectively. World ending stocks are virtually unchanged from last month's projection.

**Rice.** U.S. rice production for 2005 is estimated at 223 million cwt, up 1% from the November forecast but down 4% from last year's record crop. The average yield per acre for all rice is estimated at 6,636 pounds per acre, 352 pounds below the 2004 yield. The market year average price is expected to average between \$7.65 and \$7.95 per cwt compared with \$7.33 per cwt for the 2004 crop.

**Wheat.** All wheat production for 2005 is estimated at 2.10 billion bushels, up fractionally from the *Small Grains 2005 Summary* but 2% below last year. Wheat stocks in all positions on December 1, 2005 totaled 1.43 billion bushels, down slightly from December 1, 2004. The market year average price is expected to average between \$3.25 and \$3.50 per bushel compared with \$3.40 for the 2004 crop.

**Other Crops.** **Grain sorghum** production is estimated at 394 million bushels, 13% below 2004. The **peanut crop** is estimated at 4.82 billion pounds, up 12% from last year. **Sunflower** production is estimated at 4.02 billion pounds, 96% above last year. Estimated production of **canola and flaxseed** increased 18% and 90% from 2004, respectively.

**Cattle.** Mid-December **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$92 per cwt, down \$2 from mid-December. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were roughly \$111 per cwt, down \$2 from a month ago.

**Hogs.** For the first two weeks of December, hog **slaughter** was running 2.7% below a year ago. Cash **prices** at mid-December (Iowa-Southern Minnesota direct, 51-52 percent lean) averaged \$37 per cwt, down \$7 from the mid-December price. First quarter prices are expected to average \$47 per cwt.

**Other.** December **milk production** was up 4.3% from the previous year. Production per cow increased 3.4%, while the number of cows increased 0.8% from a year earlier. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of January. Total **cheese** production reported for the month of November 2005 was 0.9% above the previous year. **Butter** production during this same time period was 8.6% above last year. Production of **nonfat dry milk for human food** was down 6.4% from November, 2004. US table **egg production** during December 2005 totaled 6.70 billion, up 1% from December 2004. Wholesale market **egg prices** for the first quarter of 2006 (Grade A large, New York) are expected to average 69-71 cents per dozen, compared with 64.5 cents a year ago. **Broiler**-Type chicks hatched during December 2005 totaled 808 million, up 2% from last year. Weekly Broiler-Type Placements in 19 selected states for the week ending January 14, 2006, were 172 million, down 1% from a year ago. Cumulative placements for the 19 selected states for the period January 1, 2006 - January 14, 2006 totaled 347 million, up slightly from chicks placed for the same period a year ago. The wholesale 12-city average price for whole **broilers** for the first quarter 2006 are expected to average 66-68 cents per pound, compared with the 71.9 cents a year earlier. **Turkey** Poult Placements in December 2005, at 23.7 million, were up 6% from December 2004. Cumulative placements for the 2006 marketing year are 89.7 million poults, up 4% from a year ago. Turkey prices (8-16 lb. hens, Eastern Region) for the first quarter of 2006 are expected to average 66-68 cents per pound, compared with the 65.9 cents average for the first quarter of 2005. **Supplies in refrigerated warehouses** at the end of December 2005 compared with a year earlier were: total chicken, up 28%; turkey, down 30%; pork, down 11%; bellies, down 15%; beef, down 10%; frozen orange juice, down 29%; butter, up 27% and American cheese, up 8%.

**Trade.** January U.S. **trade projections** for beef improved while 2005/2006 export prospects for corn, soybeans, pork, and broilers declined, compared with last month. Wheat, rice, cotton, and turkeys were unchanged from December. January projections for the volume of exports for the 2005/2006 marketing year compared to 2004/2005 are: **wheat** down 6%; **corn** up 2%; **rice** up 8%; **soybeans** down 14%; **soybean meal** down 10%; **soybean oil** up 2%; and **cotton** up 14%. January projections for the volume of meat exports in calendar 2005 compared to 2004 are: **beef** up 51%; **pork** up 4%; **broilers** up 4%; and **turkeys** up 3%. The U.S. **trade** deficit for goods and services decreased to \$64.2 billion in November, from a revised \$68.1 billion in October. The U.S. **agricultural trade** surplus was \$896 million in November, compared with \$1.276 billion in October.

**Prices.** The rate of **inflation**, as monitored by the **CPI** for all urban consumers, decreased 0.4% in December but has increased 3.4% over the last 12 months. The **PPI** increased 0.9% in December and 5.4% over the last 12 months. The December **prime rate**, averaging 7.15%, was up from 7.00% in November. Compared to a year earlier, **feed** prices in December were up 6%; **feeder livestock and poultry** up 11%; **fertilizer** up 22%; **ag chemicals** up 3%; **farm machinery** up 3%, **seeds** up 8%, and **fuels** up 35%.

**World Weather and Crop Developments** (January 8-15). In the **United States**, for the third consecutive week, above-normal temperatures prevailed nationwide. Throughout the northern Great Plains and most of the Corn Belt and Ohio Valley, average temperatures exceeded the normal by over 15 degrees Fahrenheit, causing further depletion of protective snow cover in these regions. Dry conditions persisted in the Great Plains and Southwest, further depleting soil moisture. However, moderate precipitation in the upper Delta and eastern Corn Belt was beneficial for winter wheat in those areas. Moderate to heavy precipitation in the Pacific Northwest improved soil moisture in the inland crop producing areas while increasing snowpack in the higher elevations. An outbreak of severe weather across the Southeast and middle Atlantic Coast spawned several reports of tornadoes, hail, and high winds. A warming trend improved overwintering conditions for winter grains in northern **Russia**, while a shallow snow cover protected winter wheat from intermittent cold weather in western **Ukraine** and the Southern Region in Russia. Scattered showers in eastern **Australia** maintained local moisture supplies for cotton and sorghum. In northwest **Africa** showers maintained favorable conditions for winter wheat development across most growing areas. Unseasonable warmth and dryness dominated the southern soybean belt, limiting moisture for normal development of reproductive summer crops in south **Africa**. Unseasonable warmth and dryness dominated the southern soybean belt, limiting moisture for normal development of reproductive summer crops in **Brazil**. Much-needed, locally heavy rain overspread central **Argentina**, bringing relief from stressful heat and dryness.

-----

To order printed copies of NASS reports, call the toll-free sales order desk direct at 1-800-999-6779. For further information on NASS programs, products, and services call toll-free 1-800-727-9540. The next newsletter will be issued on January 23, 2006.