Impact Of El Niño On Global Grain Production
Not As Large As Originally Feared

Summary

Although El Niño has affected regional crop production in some countries, world total grain production of wheat, coarse grain, and milled rice for 1997/98 is forecast at a record. World rice and wheat production are at record levels, while production of coarse grains is down 2 percent. While regional grain shortages exist due to El Niño, El Niño has not yet caused significant downward pressure on world grain production.

The development of the current El Niño has been closely followed since it began in spring 1997, as scientists, farmers, and policy makers tried to understand its behavior and devise strategies to cope with its potential impact on global agriculture and food supply. Early warnings of El Niño allowed government officials to take pre-emptive actions, such as setting up disaster assistance for farmers, putting aside funds for future relief expenses, issuing drought insurance, building up strategic food stocks, making changes to tax and food import policies and encouraging shifts in planting patterns.

(continued on page 2)

<table>
<thead>
<tr>
<th></th>
<th>SW</th>
<th>Midwest</th>
<th>Southeast</th>
<th>Mid-Atlantic</th>
<th>S-Central</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feed cost/ton w/o color</td>
<td>161.73</td>
<td>157.07</td>
<td>168.92</td>
<td>171.92</td>
<td>162.83</td>
</tr>
<tr>
<td>Feed cost/lb meat</td>
<td>15.34</td>
<td>15.29</td>
<td>16.54</td>
<td>17.28</td>
<td>16.49</td>
</tr>
<tr>
<td>Days to 4.6 lbs</td>
<td>46</td>
<td>45</td>
<td>45</td>
<td>44</td>
<td>45</td>
</tr>
<tr>
<td>Med. cost/ton</td>
<td>3.03</td>
<td>3.72</td>
<td>3.32</td>
<td>3.26</td>
<td>2.80</td>
</tr>
<tr>
<td>Chick cost/lb</td>
<td>4.38</td>
<td>4.16</td>
<td>4.20</td>
<td>4.14</td>
<td>3.96</td>
</tr>
<tr>
<td>Vac-Med cost/lb</td>
<td>0.07</td>
<td>0.07</td>
<td>0.09</td>
<td>0.08</td>
<td>0.09</td>
</tr>
<tr>
<td>WB &amp; 1/2 parts condem. cost/lb.</td>
<td>0.24</td>
<td>0.36</td>
<td>0.33</td>
<td>0.35</td>
<td>0.41</td>
</tr>
<tr>
<td>% mortality</td>
<td>4.80</td>
<td>3.61</td>
<td>5.29</td>
<td>5.38</td>
<td>5.75</td>
</tr>
<tr>
<td>Sq. Ft. @ placement</td>
<td>0.75</td>
<td>0.73</td>
<td>0.76</td>
<td>0.74</td>
<td>0.82</td>
</tr>
<tr>
<td>Lbs./Sq.Ft.</td>
<td>6.06</td>
<td>6.90</td>
<td>6.52</td>
<td>7.04</td>
<td>6.75</td>
</tr>
<tr>
<td>Down time (days)</td>
<td>17</td>
<td>13</td>
<td>14</td>
<td>16</td>
<td>14</td>
</tr>
</tbody>
</table>

Data for week ending 02/21/98.
Did you know that...
(continued from page 1)

Introduction

- Late-arriving rains in Indonesia and dryness in Southeast Asia
- Below-normal early-season rainfall in southern Africa
- Dry summer in Central America
- Warm winter weather in Canadian Prairies and northern United States
- Above-normal rainfall in southern California and southern United States

What do these 1997 weather events have in common? Scientists believe they all have some correlation to the current El Niño. The term describes a situation where the trade winds, which normally blow from east to west across the southern Pacific, weaken or even reverse direction. This allows a vast expanse of warm water normally located in the eastern Pacific to drift eastward toward South America. As the water moves back into the central and eastern Pacific, the extra heat energy affects the strength and position of the jet stream and tropical storms, disrupting weather patterns in many parts of the world. The current El Niño developed very rapidly during April-May 1997 and soon matched the magnitude and size of the 1982/83 episode, which was the strongest of the century. The official NOAA forecast calls for this El Niño to persist through the winter of 1997/98 and weaken during May-July 1998.

Impact of El Niño By Region

Australia and Indonesia: In Australia, the impacts from the current El Niño event have not been as strong as anticipated. Although rainfall was below normal in parts of eastern Australia, timely rainfall supported a slightly below average wheat yield. With harvest nearly complete, wheat output is estimated to be the fifth largest on record. In Indonesia, late-arriving rains delayed the normal October/November rice planting and caused a reduction in rice production potential. However, rice output in Indonesia is still forecast above last season and the third highest on record.

Malaysia, Thailand and Philippines: In Malaysia, rainfall has been below normal but adequate for rice production. In Thailand, below normal rainfall has lowered water reserves for the second rice crop. In the Philippines, localized dryness has reduced corn and rice yields.

Southern Africa: This region is especially susceptible to drought during an El Niño. In the Republic of South Africa, November/December corn planting was delayed due to insufficient rainfall; however, rainfall at the end of December relieved crop stress to the earlier planted crop. Rain that came in late-December will allow farmers to continue to plant into mid-January. An average size corn crop is possible, but timely rains are needed. In Zimbabwe, a hot, dry December negatively affected yield potential for the corn crop and below average yield and output are forecast. In Tanzania and Kenya, drought earlier in the crop year followed by excessive rainfall later in the season has reduced corn output prospects.

India: Past El Niños brought dry weather across northwest India; however, the monsoon was near normal this season and there was no adverse crop impact. India’s rice crop is a record.

Central America: Abnormally dry conditions covered the region during June-October. The major El Niño impact in the region is nearly over as their rainy season has ended. The harvest has ended and grain yields are estimated below average.

South America: Abnormally dry conditions have developed across north-east Brazil. Much of northwest, central and southern South America have been wetter than normal. In Argentina, excessive rainfall hampered wheat harvest and reduced quality, but is boosting corn output to a near-record level. In Ecuador and Peru, above-normal rainfall delayed rice planting.

Western Canada and Northern United States: This region experienced warmer and drier than normal rainfall in December. In the Canadian Prairies, where most of the wheat is spring varieties, additional precipitation is needed when the grain crop is planted in April to June period.

California: There has been no major El Niño impacts. In December, southern California experienced above normal precipitation, while near-to-below normal rainfall occurred in the north. Wetter than average weather is expected to continue throughout the winter.

Southern United States: This area has experienced wetter than normal conditions that are related to El Niño. Wetter than normal conditions through March, with cooler than normal temperatures across the Gulf Coast States are forecast by the National Weather Service.

—Production Estimates and Crop Assessment Div., FAS, USDA, January 1998
Career Opportunity
The Department of Avian Medicine, College of Veterinary Medicine, University of Georgia is seeking a veterinarian to fill a tenure-track position in clinical poultry medicine. Requirements include the DVM or equivalent and Masters or Ph.D. degree and board certification (or eligibility for examination) by the American College of Poultry Veterinarians. Responsibilities include clinical services to the poultry industry, major participation in instruction in the Master of Avian Medicine degree program, and clinical research. Salary and rank are dependent on qualifications and experience.
Interested persons should submit their curriculum vitae and names of 3 persons who may be contacted as references. Deadline for receipt of applications is April 15, 1998.
Direct inquiries and submit applications to Dr. S.H. Kleven, Department of Avian Medicine, College of Veterinary Medicine, University of Georgia, Athens, GA 30602-4875. Phone: (706) 542-5644. Fax: (706) 542-5630. Email: skleven@arches.uga.edu.
The University of Georgia is an equal opportunity/affirmative action institution.

Meeting Announcement

Georgia Veterinary Medical Association
Annual Meeting
Jekyll Island, Georgia
June 19-20, 1998

Hotels:
Holiday Inn 1-912-635-3311
Jekyll Club 1-912-635-2600
Villas on the Sea 1-912-635-2521
Clarion Resort Buccaneer 1-912-635-2261

For further information, please call GVMA
(770) 416-1633 or (770) 416-9095

Broiler Performance Data (Company)
Live Production Cost

<table>
<thead>
<tr>
<th></th>
<th>Average Co.</th>
<th>Top 25%</th>
<th>Top 5 Co's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feed cost/ton w/o color</td>
<td>166.65</td>
<td>162.13</td>
<td>158.86</td>
</tr>
<tr>
<td>Feed cost/lb meat</td>
<td>16.37</td>
<td>15.39</td>
<td>15.15</td>
</tr>
<tr>
<td>Days to 4.6 lbs</td>
<td>45</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Med. cost/ton</td>
<td>3.19</td>
<td>2.67</td>
<td>2.43</td>
</tr>
<tr>
<td>Chick cost/lb</td>
<td>4.25</td>
<td>4.11</td>
<td>3.85</td>
</tr>
<tr>
<td>Vac–Med. cost/lb</td>
<td>0.08</td>
<td>0.06</td>
<td>0.03</td>
</tr>
<tr>
<td>WB &amp; 1/2 parts condem- nations cost/lb</td>
<td>0.33</td>
<td>0.23</td>
<td>0.15</td>
</tr>
<tr>
<td>% Mortality</td>
<td>5.28</td>
<td>3.72</td>
<td>3.67</td>
</tr>
<tr>
<td>Sf. Ft. @ placement</td>
<td>0.76</td>
<td>0.73</td>
<td>0.74</td>
</tr>
<tr>
<td>Lbs/Sq. Ft.</td>
<td>6.59</td>
<td>6.39</td>
<td>6.62</td>
</tr>
<tr>
<td>Down time (days)</td>
<td>15</td>
<td>15</td>
<td>14</td>
</tr>
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</table>

Broiler Whole Bird Condemnation (Region)

<table>
<thead>
<tr>
<th></th>
<th>SW</th>
<th>Mid-West</th>
<th>S. East</th>
<th>Mid-Atlantic</th>
<th>S. Central</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Septox</td>
<td>0.344</td>
<td>0.582</td>
<td>0.264</td>
<td>0.449</td>
<td>0.392</td>
</tr>
<tr>
<td>% Airsac</td>
<td>0.125</td>
<td>0.117</td>
<td>0.409</td>
<td>0.246</td>
<td>0.314</td>
</tr>
<tr>
<td>% I.P.</td>
<td>0.072</td>
<td>0.129</td>
<td>0.204</td>
<td>0.270</td>
<td>0.386</td>
</tr>
<tr>
<td>% Leukemia</td>
<td>0.012</td>
<td>0.038</td>
<td>0.054</td>
<td>0.044</td>
<td>0.036</td>
</tr>
<tr>
<td>% Bruise</td>
<td>0.009</td>
<td>0.016</td>
<td>0.019</td>
<td>0.017</td>
<td>0.019</td>
</tr>
<tr>
<td>% Other</td>
<td>0.020</td>
<td>0.024</td>
<td>0.108</td>
<td>0.028</td>
<td>0.053</td>
</tr>
<tr>
<td>% Total</td>
<td>0.582</td>
<td>0.905</td>
<td>1.059</td>
<td>1.054</td>
<td>1.201</td>
</tr>
<tr>
<td>% 1/2 parts condemnation</td>
<td>0.380</td>
<td>0.555</td>
<td>0.276</td>
<td>0.356</td>
<td>0.431</td>
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</table>

Data for week ending 02/21/98.
Excerpts from the latest Economic Research Service and National Agricultural Statistics Service USDA Reports

Corn Stocks Continue To Rise

Economic Research Service (ERS), reports projected 1997/98 ending stocks of corn continue to rise as a sharp reduction in exports more than offsets an increase in domestic use. The farm price of corn is expected to average $2.45 to $2.65 per bushel, down slightly from a year earlier, and well below 1995/96's $3.24. Although down, grain prices remain relatively high and price prospects in the meat complex remain poor due to large production and declining export expectations. A larger grain crop in 1998 with steady lower grain prices will be necessary to encourage continued expansion in the meat complex.

Broiler Production Increasing More Slowly

The wholesale broiler price collapse in December that brought net returns to near break-even and severe weather in early January in broiler production areas have led to lower production forecast. Production is now expected to increase about 4 percent in the first half of the year with stronger increases coming in the second half as beef production begins to decline. Production for the year is expected to increase between 4 and 5 percent.

Average broiler weights during January were about 2 percent below a year ago. A 1 percent increase in weights is typical and appears to have returned with the early February slaughter. The lighter weights in January may have been due to power outages and transportation problems caused by storms in early January.

Broiler Eggs Set Up Slightly

National Agricultural Statistics Service (NASS) reports commercial hatcheries in the 15-state weekly program set 174 million eggs in incubators during the week ending February 14, 1998. This was up slightly from the eggs set the corresponding week in 1997. Average hatchability for chicks was 82 percent.

Broiler Chicks Placed Down Slightly

Broiler growers in the 15-state weekly program placed 136 million chicks for meat production during the week ending February 14, 1998. Placements were down slightly from the comparable week in 1997. Cumulative placements from January 4, 1998, through February 14, 1998 were 821 million, up slightly from the 818 million placed during the same period last year.

Turkey Price Forecast Lowered

ERS reports sharply higher stocks of turkey meat at the end of 1997 and large increases in pork production are pressuring turkey prices. Stocks of whole turkeys were 21 percent above a year ago on December 31, while stocks of other turkey were 32 percent higher. Slightly lower production and slightly higher exports and consumption are expected to bring cold storage stocks lower by the end of this year.

Turkey production for the first quarter is forecast to be 2 percent lower than a year ago. Lower net returns over the last 2 years should be leading to lower production. Poults placements have been reported to be 3 percent below a year ago for the September-December 1997 period that supplies the majority of birds for first-quarter slaughter. A 1 percent increase in slaughter weights is expected to offset some of the bird number declines.

(continued on page 5)
Egg Prices Lowered

ERS reports first-quarter 1998 table egg production is expected to be 1-2 percent higher than a year ago which has pressured egg prices lower. Prices are expected to average about 7 percent lower for the quarter with February prices the weakest at more than 10 percent below last year. Egg prices are expected to recover as demand increases prior to Easter.

Net returns to egg producer-marketers have remained strong but will be below 5 cents per dozen in February. Net returns are expected to be lower than in 1997 but sufficient to encourage increases in flock size and production in 1998.

NASS reports laying flocks in the 30 major egg production states produced 6.38 billion eggs during January, up 2 percent from January 1997.

Egg-type chicks hatched during January totaled 32.9 million, up 12 percent from January 1997. Eggs in incubators totaled 32.9 million on February 1, 1998, up 3 percent from a year ago.

Domestic placements of egg-type pullet chicks for future hatchery supply flocks by leading breeders totaled 189,000 during January 1998, down 9 percent from the 208,000 of January 1997.

### Broiler Whole Bird Condemnation (Company)

<table>
<thead>
<tr>
<th></th>
<th>Average Co.</th>
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</tr>
</thead>
<tbody>
<tr>
<td>% Septox</td>
<td>0.389</td>
<td>0.298</td>
<td>0.192</td>
</tr>
<tr>
<td>% Aitsac</td>
<td>0.245</td>
<td>0.119</td>
<td>0.088</td>
</tr>
<tr>
<td>% P.S.</td>
<td>0.201</td>
<td>0.089</td>
<td>0.035</td>
</tr>
<tr>
<td>% Leukosia</td>
<td>0.033</td>
<td>0.019</td>
<td>0.002</td>
</tr>
<tr>
<td>% Bruise</td>
<td>0.016</td>
<td>0.010</td>
<td>0.010</td>
</tr>
<tr>
<td>% Other</td>
<td>0.053</td>
<td>0.025</td>
<td>0.015</td>
</tr>
<tr>
<td>% Total</td>
<td>0.936</td>
<td>0.561</td>
<td>0.352</td>
</tr>
<tr>
<td>% 1/2 parts condemnations</td>
<td>0.386</td>
<td>0.364</td>
<td>0.252</td>
</tr>
</tbody>
</table>

Data for week ending 02/21/98.
Meetings, Seminars and Conventions

1998

March

March 1-4: Western Poultry Disease Conference, Capitol Plaza Holiday Inn, Sacramento, CA. Contact: Lina Caparas. Phone (916) 757-3331.

March 1-3: PEP Annual Convention, Palm Springs, CA. Contact: Anne Downs. Phone (916) 441-0801.


March 8-10: 47th Western Poultry Disease Conference, Capitol Plaza Holiday Inn, Sacramento, CA. Contact: Dr. Richard Chin. Phone (209) 398-7740. Fax (209) 485-8097.

March 10-11: Louisiana Brotler Symposium, Ramada Inn, Shreveport, LA. Contact: Dr. Rosilyn Williams, Knapp Hall, LSU, Baton Rouge, LA 70803. Phone (504) 388-8667.

March 11-12: AEB Meeting, Chicago, IL. Contact: American Egg Board, 1460 Renaissance Dr., Park Ridge, IL 60068. Phone (847) 296-7043.


April

April 1-2: Nebraska Poultry Industries Annual Convention, New World Inn, Columbus, NE. Contact: Nebraska Poultry Industries, A103 Animal Sciences, University of Nebraska, P.O. Box 830908, Lincoln, NE 68583-0908.

April 5-8: Symposium on Egg Nutrition and Newly Emerging Ovo Technologies, Banff Centre, Banff, Alberta, Canada. Contact: Dr. J.S. Sun, Conference Chairman, University of Alberta, Dept. of Agricultural Food and Nutritional Science, Edmonton, Alberta, Canada T6G 2P5. Phone (403) 492-7657.

April 6-8: Federal Food Regulatory Conference, Crystal City Marriott Hotel, Arlington, VA. Contact: Prime Label Consultants, P.O. Box 15240, Washington, D.C. 20003. Phone (202) 543-0698 or 800-766-LABL.

April 7-8: Arkansas Poultry Symposium, Holiday Inn, Springdale, AR. Contact: Judy Kimbrell, Arkansas Poultry Federation, P.O. Box 1446, Little Rock, AR 72203. Phone (501) 375-8131.


April 9-11: 26th Annual Midwest Poultry Federation Convention, Minneapolis Convention Center, Minneapolis, MN. Contact: Lara Ginsburg. Phone (612) 646-4553. Fax (612) 646-4554.


April 16-19: Georgia Poultry Federation Annual Meeting, Brasstown Valley Resort, Young Harris, GA. Contact: GPF, P.O. Box 763, Gainesville, GA 30503. Phone (707) 552-0473.


April 28-May 1: PEPA Convention, Doubletree Hotel, Monterey, CA. Contact: Pacific Poultry and Egg Assn., 1521 1 St., Sacramento, CA 95814. Phone (916) 441-0801.

1998

May

May 7-8: Poultry Breeders of America, St. Louis, MO. Contact: U.S. Poultry & Egg Association, 1530 Coodle Road, Tucker, GA 30084-7303. Phone (770) 493-9401.

May 18-21: National Egg Quality School, Columbus, OH. Contact: Dr. Kenneth Anderson, N.C. State University, Extension Poultry Science, Scott Hall, Box 7608, Raleigh, N.C. 27695-7608. Phone (919) 515-2621.

May 13-14: British Pig & Poultry Fair, Royal Agricultural Society of England, National Agricultural Centre, Stoneleigh Park Warwickshire, CV8 2LZ, UK. Phone +44 1203 698696. Fax +44 1203 553752.

May 19-21: Multi-State Poultry Feeding and Nutrition Conference, Marriott, Indianapolis, IN. Contact: Tom Robertson, Stewart Center, Purdue University, West Lafayette, IN 47907. Phone (765) 494-7220.


May 25-29: International Seminar on Poultry Pathology and Production, Georgia Congress Center, University of Georgia, Athens, GA. Sponsored by the University of Georgia and AMVEA, the Latin American Poultry Science Association. Contact: Dr. Pedro Villegas, University of Georgia, Avian Medicine Dept., 953 College Station Rd., Athens, GA 30605. Phone (706) 542-2676. Fax (706) 542-9503 or E-Mail: pedrov@avmed.uga.edu.


May 30: GPF Night or Knights, Cobb Galleria Centre, Atlanta, GA. Contact: Georgia Poultry Federation, P.O. Box 763, Gainesville, GA 30503. Phone (770) 532-0473.

1998

June

June 4-5: Alabama Poultry & Egg Convention, Birmingham, AL. Contact: Alabama Poultry & Egg Assn., P.O. Box 240, Montgomery, AL 36101. Phone 334-265-2732.

June 4-7: 6th Asian Pacific Poultry Congress & Exhibition, Nagoya Trade & Industry Center, 6-3 Fukiage, 2-chome, Chikusa-ku, Nagoya 464, Japan. Contact: 6th APPC Secretariat, c/o Congress Corporation, Hirokoi YMD Bidg. 1-20-25 Nishiki, Nakaku, Nagoya 460, Japan. Phone +81 52 222-1297. Fax +81 52 222-4197. e-mail: shibata@congco.co.jp.

June 5-6: Arkansas Poultry Festival, Arlington Hotel, Hot Springs, AR. Contact: Judy Kimbrell, Arkansas Poultry Federation, P.O. Box 1446, Little Rock, AR 72203. Phone 501-375-8131.


June 9-12: ABIC '98 Conference, Delta Bessborough Hotel, Saskatoon, Sask. Contact: Colleen Jaeger, ABIC '98, c/o The Signature Group, 608 Duchess St., Saskatoon, Sask. 57K OR; signatur @eagle.wbm.ca.