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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.

Wheat. Winter wheat production is forecast at 1.34 billion bushels, down 14% from last year, to the lowest level since 1978. Based on condition as of May 1, the U.S. winter wheat yield is forecast at 41.8 bushels per acre, 2.8 bushels less than last year. Total U.S. wheat production is projected by the USDA's World Agricultural Outlook Board (WAOB) at 1.96 billion bushels, down 12% from last year. The projected price range for 2001/02 is $2.75 to $3.35 per bushel, compared with an estimated $2.63 for 2000/2001.

Corn. The U.S. 2001 corn crop is projected at 9.58 billion bushels by the WAOB, down 4% from last year. The March Prospective Plantings area and a trend yield of 137 bushels per acre are assumed. The trend yield is adjusted for planting progress and assumes normal weather. Total U.S. 2001/02 corn supplies are down just 1%, as larger carryin stocks mostly offset the projected production decreases. The projected price range for the 2001 corn crop is $1.65 to $2.05 per bushel, compared with $1.80 to $1.90 for 2000/2001.

Soybeans. The U.S. 2001 soybean production is projected at a record 2.99 billion bushels by the WAOB, 8% above 2000. U.S. soybean production is based on a record high intended soybean planting of 76.7 million acres and a trend yield of 39.5 bushels per acre. Season average soybean prices for 2001/02 are projected at $3.90 to $4.50 per bushel, compared with an estimated $4.40 for the 2000/2001 crop. Soybean meal prices are forecast to decline to $145 to $170 per short ton, compared with $168 per ton for 2000/2001.

Cotton. The first U.S. cotton estimates for 2001/02 include higher production, exports, and ending stocks relative to 2000/2001, according to the WAOB. Production is projected at 18.8 million bales, based on average abandonment and yield. The U.S. cotton export forecast, at 9.0 million bales, is the largest since 1994/95.

Rice. The U.S. rice production in 2001/02 is projected at 186 million cwt by the WAOB, 3% lower than the 2000/2001 crop. Domestic and residual use is projected at a record 123 million cwt, up 1% from the previous year. However, projected exports are 8% lower, at 76 million cwt. Global rice production is projected at 400 million tons, 2% less than the record 1999/2000 crop. World consumption is projected at a record level.

Cattle. March 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 11.17 million head, up 2% from a year earlier. April placements were down 9% from the previous year. Marketings of fed cattle were down 3% from 2000. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around $87 per cwt in mid-May, down $1 from mid-April.

Hogs. During the first two weeks of May slaughter has been running about the same as a year ago. Prices at mid-May (Iowa-Southern Minnesota direct, 230-250 pounds) were around $52 per cwt, up $4 from mid-April. Second quarter prices are expected to average around $50 per cwt.

Other Livestock. April **milk production** was down 1.9% from the previous year. Production per cow decreased 1.2% and the number of cows decreased 0.6%. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of May. During March, total **cheese** production was 0.1% above the previous year, **butter** production was down 15.9% and **nonfat dry milk** production was down 2.3%. US table **egg production** during April 2001 totaled 7.09 billion, up 1% from April 2000. Wholesale market **egg prices** for the second quarter of 2001 (Grade A large, New York) are expected to average 69-71 cents per dozen, compared with 62.1 cents a year ago. Third quarter 2001 egg prices are expected to average 75-79 cents per dozen, compared with 67.1 cents a year earlier. **Broiler**-Type chicks hatched during April 2001 totaled 745 million, down slightly from last year. Cumulative Broiler-Type Placements in 15 selected states thru May 12, 2001, were 2.78 billion, slightly below a year ago. The wholesale 12-city average price for whole **broilers** for the second quarter of 2001 is expected to be 58-60 cents, compared with 55.7 cents from the second quarter of last year. Third quarter 2001 broiler prices are expected to average 58-62 cents per pound, compared with the 56.8 cents for a year earlier. Cumulative **turkey poult placements** for the 2001 marketing year through April 2001 were 195 million, 2% above the same period a year ago. Placements in April 2001, at 26.2 million, were up 4% from last April. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 2001 are expected to be 65-67 cents compared with 69.0 cents for the second quarter last year. Turkey prices for the third quarter of 2001 are expected to average 67-71 cents per pound, compared with the 73.9 cents average for the second quarter of 2001. **Supplies in refrigerated warehouses** at the end of April 2001 compared with a year earlier were: total chicken, down 23%; turkey, down 5%; pork, down 17%; bellies, down 31%; beef, down 19%; frozen orange juice, up 4%, butter, down 18%; and American cheese, down 10%.

Trade. May U.S. **trade projections** for corn and cotton improved while 2000/2001 export prospects for wheat and rice declined, compared with last month. Soybeans, were unchanged from April. May projections for the volume of exports for the 2000/2001 marketing year compared to 1999/2000 are: **wheat** down 8%; **corn** down 1%; **rice** down 14%; **soybeans** up 2%; **soybean meal** down 6%; **soybean oil** up 3%; and **cotton** up 33%. May projections for the volume of meat exports in calendar 2001 compared to 2000 are: **beef** up 2%; **pork** down slightly; **broilers** up 5%; and **turkeys** up 3%. The **U.S. trade** deficit for goods and services increased to $31.2 billion in March, from a revised $26.9 billion in February. The **U.S. agricultural trade** surplus was $1.418 million in March, compared with $1.474 million in February.

Prices. The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.4% in April and has increased 3.3% over the last 12 months. The **PPI** increased 0.3% in April, and has increased 3.7% for the 12-month period ending in April. The April **prime rate**, averaging 7.80%, was down from 8.32 in March. Compared to a year earlier, **feed** prices in April were up 4%, **feeder livestock and poultry** prices were unchanged; **fertilizer** was up 27%; **ag chemicals** up 2%; **farm machinery** was up 4%; **seeds** up 7%; and **fuels** up 2%.

World Weather and Crop Developments (May 13-20). In the **United States**, above-normal temperatures stimulated seed germination and promoted vegetative growth of emerged crops across most of the Nation. However, cooler-than-normal weather limited crop development from the mid-Atlantic States to the Northeast and in the Pacific Northwest. Planting accelerated in the southern Great Plains and Southeast ahead of forecasted rain. Most of Oklahoma received the expected soaking precipitation. However, all but a few isolated areas of the Southeast remained dry. Planting accelerated across the northern Corn Belt and adjacent areas of the Great Plains, as favorably dry weather prevailed. In the eastern Corn Belt, planting advanced, but rain limited progress. In the Southwest, warm, dry weather aided fieldwork. Dry, seasonably warm weather slid into northwestern **Europe** during the latter half of the week, spurring summer crop planting and other fieldwork. Several days of dry weather helped corn, sunflower, and sugar beet planting in **Ukraine** and most of southern **Russia**. Widespread showers in northern Russia benefited winter grains and boosted topsoil moisture for spring grain germination. Warm, dry weather early in the week favored rapid spring grain planting in **Kazakstan** and **Russia**. Rain continued across **Turkey**, benefiting immature winter wheat and increasing summer irrigation reserves. In **Australia** timely showers improved local planting prospects in the southeastern winter grain belt. Warm, dry weather stressed reproductive to filling winter wheat across the North **China** Plain. Heavy showers increased moisture supplies for rice in **Thailand** and southern **Vietnam**. In central and northern **Argentina**, mostly dry weather helped corn, soybean, and cotton harvesting. In **Brazil**, mostly dry weather in Rio Grande do Sul allowed fieldwork for soybean harvesting and winter wheat planting to rapidly progress. In **Mexico** very warm, dry conditions limited moisture availability for pastures and sorghum in the northeast (Tamaulipas), while warm, seasonably dry weather prevailed across the Southern Plateau corn belt. In **Canada** mostly warm, dry weather promoted rapid spring crop planting, especially in drier locations of the western Prairies.

Other News. **Large supplies of major U.S. field crops** are expected again in 2001/02, keeping downward pressure on farm prices for the fifth consecutive year, according to USDA's first forecast for the season. **Production of red meat and poultry** in 2002 is forecast at nearly 83 billion pounds, up 1% from that expected this year, and marginally higher than record production in 2000. **Measures of farm sector income** are valuable indicators of how well U.S. agriculture is performing, but they may not fully capture the financial situations and needs of farmers and farm families. **High levels of government payments** to the U.S. farm sector have forestalled a significant drop in national farm income in recent years. While payments boost both profitability and household income, they enhance rates of return disproportionately for farms that have low and high rates of return relative to other farms. **The value of agricultural land** depends largely on its expected future earnings from farming. Income from government payments indirectly supports farmland values and contributes to higher rents, generally benefiting farmland owners. But for farmers who rent a large share of acreage they operate, higher rental rates raise fixed costs and increase exposure to operating losses if commodity prices and government payments decline. **China's longstanding potential** as a strong competitor in international fruit and vegetable trade will likely be realized over the next several years. Although China exports less than 1% of its fruit and vegetable production, private-sector investment--both domestic and foreign--is currently creating world-class operations that deliver high-quality fruits and vegetables within China and to international markets.

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