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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. The U.S. winter wheat production is forecast at 1.72 billion bushels. This is up 6 percent from last month's forecast and 50 percent above 2002. The U.S. yield is forecast at 47.0 bushels per acre, up 2.4 bushels from last month. The World Agricultural Outlook Board (WAOB) projected 2003/04 all wheat ending stocks at 738 million bushels, up 134 million bushels from last month due to a larger supply and only a small increase in expected use. Projected exports are up 25 million bushels due to larger U.S. supplies, lower U.S. prices, and reduced competition. The WAOB projected price range for 2003/04 is $2.80 to $3.40 per bushel.

Corn. The U.S. corn production for 2003 is projected at a record large 10.3 billion bushels by the WAOB, up 210 million bushels from last month. The trend yield is up three bushels from June, at 142.7 bushels per acre. However, 2003/04 ending stocks are up only 10 million bushels from last month as the gain in production is almost entirely offset by reduced carryin stocks and higher use of corn for the production of ethanol. Plantings for 2003 are estimated at 79.1 million acres, unchanged from last year and harvested acreage is estimated at 72.0 million acres. The WAOB projected price range for the 2003 corn crop is $1.90 to $2.30 per bushel.

Soybeans. Soybean production for 2003 is projected by the WAOB at a record large 2.89 billion bushels, 30 million bushels above last month. The projected trend yield is unchanged from last month, at 39.7 bushels per acre. Ending stocks for the 2003/04 season are projected at 260 million bushels, up 10 million bushels from last month. Projected exports are up 30 million bushels from last month, but down 40 million from 2002/03. The decline from 2002/03 reflects strong competition expected from anticipated record soybean crop and stocks in South America. Planted area is estimated at 73.7 million acres, down slightly from last year, and harvested acreage is estimated at 72.7 million acres. Soybean prices for 2003/04 are projected at $4.35 to $5.35 per bushel, compared to $5.50 per bushel for the 2002/03 crop.

Cotton. The U.S. cotton outlook for 2003/04 includes lower production and domestic mill use, larger exports, and lower stocks. The WAOB projected production at 16.6 million bales, down 3.5 percent from last month, reflecting the lower planted area reported in the June 30 *Acreage* report. An increase in the export projection reflects increasingly tight foreign supplies relative to demand. Ending stocks are reduced to 3.9 million bales.

Other Crops. Planted acreage for **sorghum** is estimated at 9.48 million acres, down 1 percent from last year, and the area harvested for grain is estimated at 8.12 million acres, up 11 percent from 2002. **Oats** planted last fall and this spring totaled 4.68 million acres, down 7 percent from last year, and the area harvested for grain is 2.29 million acres, up 9 percent from last year. **Barley** growers seeded 5.46 million acres in 2003, an increase of 8 percent from last year, and expect to harvest 4.90 million acres. **Rice** producers seeded an estimated 2.99 million acres, 8 percent below last year's acreage, and the harvested area is estimated at 2.97 million acres, down 7 percent from 2002. **Hay** producers will harvest 64.4 million acres, slightly below last year.

Cattle. Mid-July **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged $74 per cwt, down $5 from mid-June. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were $88 per cwt, up $2 from a month ago.

Hogs. During the first two weeks of July, hog **slaughter** has been running 1.2% above a year ago. Cash **prices** at mid-July (Iowa-Southern Minnesota direct, 51-52% lean) were $43 per cwt, down $5 from mid-June. Third quarter prices are expected to average $41 per cwt.

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Other Livestock. June **milk production** was down 0.1% from the previous year. Production per cow was unchanged from last year but the number of cows decreased 0.1% from a year ago. The **cheddar cheese price** (U.S. 40 pound blocks, wholesale) was up the first two weeks of July. Total **cheese** production reported for the month of May, 2003 was 1.1% below the previous year. **Butter** production during this same time period was 8.7% below the previous May. **Nonfat** dry milk production was down 5.5% from the previous year. US table **egg production** during June 2003 totaled 5.98 billion, down 1% from June 2002. Wholesale market **egg prices** for the third quarter of 2003 (Grade A large, New York) are expected to average 74-76 cents per dozen, compared with 65.3 cents a year ago. Fourth quarter 2003 egg prices are expected to average 77-83 cents per dozen, compared with 75.5 cents a year earlier. **Broiler**-Type chicks hatched during June 2003 totaled 775 million, down slightly from last year. Weekly Broiler-Type Placements, in 19 selected states, for the week ending July 19, 2003, were 165 million, down 1% from a year ago. The wholesale 12-city average price for whole **broilers** for the third quarter of 2003 is expected to be 60-62 cents per pound, compared with 60.3 cents from the third quarter of last year. Fourth quarter 2003 broiler prices are expected to average 58-62 cents per pound, compared with 53.7 cents a year earlier. **Turkey** Poult Placements in June 2003, at 25.4 million, were up 4% from last June. Cumulative placement for the 2003 marketing year are 244 million poults, down 1% from a year ago. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 2003 are expected to be 63-65 cents, compared with 66.7 cents for the third quarter last year. Turkey prices for the fourth quarter of 2003 are expected to average 68-72 cents per pound, compared with a 68.2 cent average for the fourth quarter of 2002. **Supplies in refrigerated warehouses** at the end of June 2003, compared with a year earlier, were: total chicken, down 24%; turkey, up 12%; pork, down 8%; bellies, down 15%; beef, down 6%; frozen orange juice, up 5%; butter, up 20% and American cheese, up 1%.

Trade. July U.S. **trade projections** for wheat and cotton improved over last month while 2002/2003 export prospects for rice, soybeans, and turkeys declined. Corn, beef, pork, and broilers were unchanged from June. July projections for the volume of exports for the 2002/2003 marketing year compared to 2001/2002 are: **wheat** up 13%; **corn** up 16%; **rice** down 26%; **soybeans** down 4%; **soybean meal** unchanged; **soybean oil** down 50%; and **cotton** up 2%. July projections of the volume of meat exports in calendar 2003 compared to 2002 are: **beef** up 4%; **pork** up 2%; **broilers** up 7%; and **turkeys** up 4%. The **U.S. trade** deficit for goods and services increased to $41.8 billion in May, from a revised $41.6 billion in April. The **U.S. agricultural trade** surplus was $353 million in May, compared with $138 million in April.

Prices. The rate of **inflation**, as monitored by the **CPI** for all urban consumers, increased 0.1% in June and has increased 2.1% over the last 12 months. The **PPI** increased 0.5% in June and has increased 2.9% over the last 12 months. The June **prime rate**, averaging 4.22%, was down 1% from last month. Compared to a year earlier, **feed** prices in July were up 6%; **feeder livestock and poultry** were up 9%; **fertilizer** up 15%; **ag chemicals** up 2%**, farm machinery** down 1%**, seeds** up 9% and **fuels** up 25%.

World Weather and Crop Developments (July 13-20). In the **United States** hurricane Claudette tracked across southern Texas and the Southwest region, producing beneficial rain and local flooding. Most acres west of the Mississippi Valley encountered above-normal temperatures and small amounts of precipitation, causing crop conditions to deteriorate. Thunderstorms in the eastern Corn Belt brought above-normal rainfall, while temperatures remained below normal. Isolated showers in the Southeast were widespread, but rainfalls varied significantly, ranging from none in some areas to more than 6 inches in other areas. Temperatures in the Southeast were slightly below normal. Moderate to locally heavy showers continued to provide abundant moisture for spring- sown crops in **Ukraine**, while showers and cool weather brought further drought relief to major summer crop-producing areas in **Russia**. In the **FSU**-New Lands light to moderate showers maintained adequate to abundant moisture for spring grains in or nearing the heading stage. Across western **Europe**, warm, mostly dry weather continued to increase crop water use for mostly irrigated summer crops, while cooler, wetter weather eased stress on rainfed summer crops in eastern Europe. Mild, showery weather continued to favor crops and pastures in Western **Australia**, as drought concerns returned to primary agricultural districts in the east. Monsoon showers continued to boost soil moisture for rice, cotton, and oilseeds in South Asia. Tropical Storm Koni brought heavy rains to the central **Philippines** as Super Typhoon Imbudo threatened Luzon. Beneficial rain continued throughout most corn and soybean areas of **Manchuria** and the North **China** Plain. Temperatures gradually rose to seasonably warmer levels in **Argentina** and southern **Brazil**, improving conditions for winter wheat and unharvested plantation crops. Summer heat and dryness raised concern for spring crops in southern and western sections of the Prairies in **Canada**. Widespread showers continued to favor summer crops in the main corn belt and boosted irrigation supplies across the western Sierra Madre in Mexico.

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